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E-1

E-1

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Legislative Assembly  
of Ontario

Second Session, 41<sup>st</sup> Parliament

Assemblée législative  
de l'Ontario

Deuxième session, 41<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

Wednesday 14 September 2016

**Journal  
des débats  
(Hansard)**

Mercredi 14 septembre 2016

**Standing Committee on  
Estimates**

**Comité permanent des  
budgets des dépenses**

Organization

Organisation

Chair: Cheri DiNovo  
Clerk: Eric Rennie



Présidente : Cheri DiNovo  
Greffier : Eric Rennie



Assemblée législative  
de l'Ontario  
Document session 41, séance 10

Journal  
des débats  
(Hansard)

Chambre des députés  
of Ontario  
Document session 41, séance 10

Official Report  
of Debates  
(Hansard)

Mardi 14 septembre 2004

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## CONTENTS

LEGISLATIVE AFFAIRS COMMITTEE

LEGISLATIVE DOCUMENTS

Wednesday 14 September 2016

STANDING COMMITTEE ON LEGISLATIVE PERMANENT DES

Election of Vice-Chair.....	E-1
Appointment of subcommittee .....	E-1

The committee met at 15:00 between 22

### STANDING COMMITTEE ON LEGISLATIVE PERMANENT DES

The Chair (Ms. Cheryl D'Entremont): Good afternoon, Temporary members. It is my duty to welcome you all to the Standing Committee on Legislative Permanents.

Members present: Member (Mr. Michael Wilson) for the Liberal Party; Mr. Stephen McNeil, member for the Progressive Conservative Party.

The Chair (Ms. Cheryl D'Entremont): Discussion has been opened by Mr. Wilson. Is there any update? Are any members ready to speak? If so, please raise your hand. Please note, please note who has spoken already. The agenda is closed.

### APPOINTMENT OF SUBCOMMITTEE

The Chair (Ms. Cheryl D'Entremont): During our discussion of business, I would like to advise members that temporary members to committee subcommittees have voted. Dr. Gaudet, are you ready to begin your agenda item? You may proceed.

Dr. Gaudet (Dr. Gaudreault): Thank you, Chair.

Mr. Michael Wilson: I would like to point out to those that were here, before Mr. Gaudet got the microphone, we have had two votes.

The Chair (Ms. Cheryl D'Entremont): Ms. Wilson has made a motion to nominate Mr. Gaudet and Mr. O'Leary. Is there any opposition? All those in favour, please raise your hand if you'd like to support.

Mr. Wilson: No, I am the only representative. Are there any motions? Mr. O'Leary?

Mr. O'Leary (Mr. Michael O'Leary): Thank you, Chair. I would like to nominate Mr. Gaudet and Mr. O'Leary for the subcommittee on legislative documents.

The Chair (Ms. Cheryl D'Entremont): Are the members ready to vote on this? Shall the motion carry? All those in favour, please raise your hand if you'd like to support.

Mr. Wilson: No, I am the only representative.

The Chair (Ms. Cheryl D'Entremont): Are the members ready to vote on this? Shall the motion carry? All those in favour, please raise your hand if you'd like to support.

Mr. O'Leary (Mr. Michael O'Leary): Thank you, Chair.

Mr. Gaudet (Dr. Gaudreault): Thank you, Chair.

The Chair (Ms. Cheryl D'Entremont): You're welcome.

Mr. Gaudet (Dr. Gaudreault): Thank you, Chair.

The Chair (Ms. Cheryl D'Entremont): Thank you, Mr. Gaudet.

Mr. Wilson: You are welcome.

The committee adjourned at 17:17:52.



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 14 September 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 14 septembre 2016

*The committee met at 1550 in room 151.*

## ELECTION OF VICE-CHAIR

**The Chair (Ms. Cheri DiNovo):** Good afternoon, honourable members. It is my duty to entertain a motion for Vice-Chair. Are there any motions?

**Mr. Joe Dickson:** Madam Chair, through you, I move that Miss Taylor be appointed Vice-Chair of the committee.

**The Chair (Ms. Cheri DiNovo):** A motion has been moved by Mr. Dickson. Is there any debate? Are the members ready to vote? Shall the motion carry? All those in favour, please raise your hand. All those opposed? The motion is carried.

## APPOINTMENT OF SUBCOMMITTEE

**The Chair (Ms. Cheri DiNovo):** Moving to the second item of business, I would like to inform members that yesterday's change in committee memberships has created two vacancies on our subcommittee on committee business. We will need motions to replace Mr. Crack as the Liberal representative and Mr. Mantha as the NDP representative.

Are there any motions? Yes, Mr. Potts.

**Mr. Arthur Potts:** I would be delighted to move that Mr. Dong replace Mr. Crack on the subcommittee on committee business.

**The Chair (Ms. Cheri DiNovo):** Okay. Mr. Potts has made a motion to replace Mr. Crack with Mr. Dong. Is there any discussion? All those in favour? Opposed, if any? It is carried.

Mr. Mantha as the NDP representative: Are there any motions? Mr. Dickson.

**Mr. Joe Dickson:** Madam Chair, again through you, I move that Miss Taylor replace Mr. Mantha on the subcommittee on committee business.

**The Chair (Ms. Cheri DiNovo):** Are the members ready to vote on that? Shall the motion carry? All those in favour? Opposed? The motion is carried.

There being no other business—

**Mr. Shafiq Qaadri:** Madam Chair?

**The Chair (Ms. Cheri DiNovo):** Yes, Mr. Qaadri?

**Mr. Shafiq Qaadri:** Happy 10 years of service to Parliament.

**The Chair (Ms. Cheri DiNovo):** Thank you very much.

With that, we are adjourned.

*The committee adjourned at 1552.*





## **STANDING COMMITTEE ON ESTIMATES**

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### **Vice-Chair / Vice-Présidente**

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26  
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E-2

E-2

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## Legislative Assembly of Ontario

Second Session, 41<sup>st</sup> Parliament

# Official Report of Debates (Hansard)

Wednesday 21 September 2016

## Standing Committee on Estimates

Ministry of Health  
and Long-Term Care

Ministry of Aboriginal Affairs

## Assemblée législative de l'Ontario

Deuxième session, 41<sup>e</sup> législature



# Journal des débats (Hansard)

Mercredi 21 septembre 2016

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Ministère de la Santé  
et des Soins de longue durée

Ministère des Affaires autochtones

Chair: Cheri DiNovo  
Clerk: Eric Rennie

Présidente : Cheri DiNovo  
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## **CONTENTS**

Wednesday 21 September 2016

Ministry of Health and Long-Term Care .....	E-3
Hon. Eric Hoskins	
Dr. Bob Bell	
Mr. Tim Hadwen	
Ms. Suzanne McGurn	
Ms. Denise Cole	
Mr. Phil Cooke	
Mr. Patrick Dicerni	
Mr. Brian Pollard	
Ministry of Aboriginal Affairs .....	E-15
Hon. David Zimmer	
Ms. Deborah Richardson	
Mr. Shawn Batisse	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 21 September 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 21 septembre 2016

*The committee met at 1545 in room 151.*MINISTRY OF HEALTH  
AND LONG-TERM CARE

**The Chair (Ms. Cheri DiNovo):** Good afternoon. Welcome back, everyone. We're here to resume consideration of vote 1401 of the estimates of the Ministry of Health and Long-Term Care. There is a total of one hour and 20 minutes remaining.

As we have some new members, I would like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

I would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant to the ministry, and the ministry for its part demonstrates openness in providing information requested by the committee. As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee to ensure that they are confident the ministry will spend those dollars appropriately. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised, so that the ministry can respond accordingly. If you wish, you may verify the questions being tracked by the research officer at the end of your appearance.

If there are any inquiries from the previous meetings that the minister or ministry has responses to, perhaps the information can be distributed by the Clerk at the beginning in order to assist the members with any further questions. Are there any items, Minister?

**Hon. Eric Hoskins:** I understand there are not, but we will be providing the full complement of our responses to the questions.

**The Chair (Ms. Cheri DiNovo):** Thank you. We will then now resume consideration of vote 1401 of the estimates. When the committee last adjourned, the third party was about to begin their 20-minute round of questions. Madame Gélinas, the floor is yours.

**M<sup>me</sup> France Gélinas:** Thank you, Chair. Welcome back, Minister and Deputy. I'll start pretty much the

same way I ended in the first session, talking about primary care. I'll start with the nurse practitioners. The budget announced \$85 million over three years, and the nurse practitioners, especially the 2,000 of them working in the community who have not seen a wage increase in eight years, were very hopeful. We now understand that this money will be going more toward the funding of HOOPP for the pension plans for people working in primary care. My question is, is there any plan, within the \$85 million or outside of it, to address the fact that 2,000 nurse practitioners have not seen a pay increase in the last eight years?

**Hon. Eric Hoskins:** If I understand the question correctly—and this has been an extremely important issue to the ministry and to myself and to the deputy, the issue of recruitment and retention, since well before—I can only speak to the time that I've been health minister.

You're right: \$85 million was announced in the spring budget, an important aspect of that being the change to the pensions with regard to the eligibility for HOOPP, which was extremely important, I have to say, to the sector, who we consulted with widely. But also the provision allowed for a compensation increase, as well.

Now, the \$85 million that was announced in the budget included our nurse practitioners; it wasn't necessarily limited to our nurse practitioners. It recognized, for example, that in a family health team environment there are a number of professionals that I think would fall under this element of concern and consideration for recruitment and retention—dietitians and others who would perhaps be employed in similar environments.

**M<sup>me</sup> France Gélinas:** If I understand well, the \$85 million is over three years. It would allow the primary care providers and community health centres, aboriginal health access centres, family health teams and nurse-practitioner-led clinics to finally have access to HOOPP, so an increase in the benefit line. How much of that \$85 million will be available for pay increases for nurse practitioners? As specific as you can get.

1550

**Hon. Eric Hoskins:** I'm not sure if the deputy perhaps has the answer to that, but it does accommodate both. You asked the question, and in my response, it's in terms of both access to HOOPP on the benefit side, but also a compensation increase.

**Dr. Bob Bell:** I can perhaps add to that, Minister.

**The Chair (Ms. Cheri DiNovo):** Could you, as deputy, state your name to begin? Thank you.

**Dr. Bob Bell:** Thank you, Deputy Minister Bob Bell.

The funding includes, as the minister said, both HOOPP plus increases to compensation. The employers have some ability for discretion around how that compensation increase will be rolled out, so there will be some variability based on local needs. As you know, there's variability in compensation increase requirements for various workers and within the actual primary care organizations, so there is some discretion.

So we can't give you an overall figure as to how the compensation increase will relate as a whole. We do know there will be both, though: compensation increases plus HOOPP contribution.

**M<sup>me</sup> France Gélinas:** So of this \$85 million over three years, not one penny of this has rolled out yet. When can they expect that money to start rolling out? Is it going to be for all of 2016-17, or are we putting a big X on that and starting next year?

**Dr. Bob Bell:** Tim, why don't you come up and contribute?

Mr. Tim Hadwen.

**Mr. Tim Hadwen:** Tim Hadwen, assistant deputy minister of the health system accountability and performance division.

It would be for all of 2016-17. There has been discussion with the associations about the best means and the best plan for rolling it out. We are anticipating that that will occur in the next while for 2016-17.

**M<sup>me</sup> France Gélinas:** How much is for 2016-17 out of the \$85 million?

**Mr. Tim Hadwen:** For the \$85 million—that's an allocation that is going to be divided amongst each of the three years. The exact amount per year remains to be resolved, but it would be \$20 million or \$30 million per year, reaching a total of \$85 million at the end of the three years.

**M<sup>me</sup> France Gélinas:** Okay. Is there any money—there are lots of echoes—associated with the fact that nurse practitioners still face barriers around prescribing and point-of-care testing? Now we trail behind much of North America when it comes to those two acts. What are the reasons for those barriers, and are they economic?

**Hon. Eric Hoskins:** No. The two issues, nurse practitioner prescribing and—sorry, in the second one, you referenced—

**M<sup>me</sup> France Gélinas:** Point-of-care testing.

**Hon. Eric Hoskins:** —point-of-care testing, which are both issues which, as you know well, have been referenced by that sector. We are moving forward, together with the college, with regard to broadening prescribing for nurse practitioners. It becomes even more important, I think you would agree, in the context of medical assistance in dying and the federal legislation.

But we have been working with the sector as well as with the college on that for some time. It is a priority and it remains a priority for us. With regard to point-of-care testing—Bob, you might have something to add on that—it is something that we have been discussing with the sector as well for some time.

**Dr. Bob Bell:** I think Suzanne can come up about prescribing.

**Ms. Suzanne McGurn:** Suzanne McGurn, ADM and executive officer for the public drug programs.

Just a clarification: Nurse practitioners do have broad prescribing abilities now. The last time you asked questions, you raised their ability to access some of the drug funding programs and the legislative barriers, as well as the narcotics. We are continuing to work with the sector on those. It is not a financial barrier; that is working out. We are looking at bringing those forward with the appropriate vehicle.

**Hon. Eric Hoskins:** If I can clarify very briefly, in fact, I'm glad the clarification was made. We were moving forward, of course, with consultations on our end—prescribing, with regard to nurse practitioners, who already have that scope to a large degree, looking specifically at controlled substances, which was in the context of the intervention that I made.

**M<sup>me</sup> France Gélinas:** Okay. There was not only for narcotics, but also for exceptional access drugs.

**Dr. Bob Bell:** That was the comment that Suzanne just made about access to publicly funding the ability to access the EAP.

**M<sup>me</sup> France Gélinas:** Okay. I just want to put it in context. All of the areas that I represent still have a hard time gaining access to primary care. Nurse-practitioner-led clinics are really, really well received. I have three just in my riding. They're loved everywhere. They're busy everywhere. But when those barriers take so long because they're acted upon, the barriers to access to care are not equal to all. It's the people of the north and the people in rural areas for which those barriers are an issue. So my question for them is, can I have a time frame?

**Hon. Eric Hoskins:** Well, it's difficult to establish with some certainty when controlled substances, for example, and nurse practitioners prescribing them requires a bylaw, I think, to be supported and approved by the college in the first instance. Then we have a regulatory process that we need to go through involving cabinet and cabinet committee.

I completely agree with you, not just in terms of the importance and value of nurse-practitioner-led or nurse practitioners writ large, but expanding the scope. I would hazard a guess that most of the sector would agree that I am one of the strongest proponents of expanding scope that they have seen in some time. We have a ministry that is very much committed to these same issues.

Regrettably, but importantly, it does require a certain level of consultation. There are a number of partners across the health care system that have to be consulted on this. Often, almost invariably, the colleges need to be involved. There's a process that they need to undertake, so it often takes longer than I would like to see, as well. But to reassure you, it's based on a motivation to expand the scope. Obviously, costing needs to be an element of that, but it is not the driving element.

**Ms. Denise Cole:** Hi, good afternoon. It's Denise Cole, assistant deputy minister, health workforce planning and regulatory affairs with the ministry.

Madame Gélinas, with regard to the specific components of the controlled acts and nurse practitioners, we have, over the course of the summer, had some internal conversations to put some parameters around what that would look like, particularly in the context of the May legislation.

I have had conversations with the registrar of the college for nurses. We have a meeting scheduled—I believe if it's not next week, it's shortly thereafter—to give the college what they need from the ministry to be able to start drafting regulation and so forth. It's our hope that by the ending of this fiscal year, all the regulations and so forth would be in place.

**M<sup>me</sup> France Gélinas:** Thank you very much. My next question has to do with the Ministry of Health's relationship to the Financial Accountability Office. When the Financial Accountability Officer released his report on July 26, on page 14 he said, "Seeking to assess the likelihood that health sector spending might end up being higher than forecast, the FAO requested projected spending for 2017-18 and 2018-19 by program area. This information would have allowed the FAO to assess whether the government's health spending projections rested on overly optimistic assumptions about restraining growth in specific health sector programs. The Ministry of Health and Long-Term Care and the Treasury Board Secretariat refused to provide the requested information."

My first question is, could you provide this information to the committee? What is the projection, by program, for 2017-18 and 2018-19?

**Hon. Eric Hoskins:** We're endeavouring to get that answer for you. Our guru, our wizard in everything financial, is absent, but I think we might have something.

1600

**Dr. Bob Bell:** Yes. Phil Cooke is here subbing for our chief administrative officer. Phil, can you update?

**Mr. Phil Cooke:** Sure. Phil Cooke, director of the fiscal oversight and performance branch.

We've been working closely with our colleagues in Treasury Board Secretariat and legal services and determined that we don't have the legal authority to release anything to the FAO that is forward-looking that cabinet has not yet made a determination on. We have provided the Financial Accountability Officer with all the historical program spending that they requested, but we were not allowed to provide forward-looking expenditure forecasts.

**M<sup>me</sup> France Gélinas:** Is this solely your ministry that is not allowed to do that?

**Mr. Phil Cooke:** No, that's government-wide.

**M<sup>me</sup> France Gélinas:** All right. I'm not the FAO; I'm an MPP. Could you forward that to me?

**Mr. Phil Cooke:** Yes, we can look at that.

**M<sup>me</sup> France Gélinas:** Thank you. So it would be the 2017-18 and 2018-19, the projected spending by program area.

**Dr. Bob Bell:** I think we can certainly look to see what we can provide you with, Madame Gélinas.

**M<sup>me</sup> France Gélinas:** Thank you.

The next question has to do with the new hydro rebate that is just being debated in the House as we speak. I was quickly approached by all of the municipal long-term-care homes, the not-for-profit long-term-care homes, to see if they will be eligible for the 8% rebate. I asked the Ministries of Energy and Finance, but nobody knows. I was just wondering, in the discussion that led to this, if the Ministry of Health was able to clarify that the not-for-profit long-term-care home sector, including the municipal long-term-care homes, would be allowed the 8% on their energy bills.

**Hon. Eric Hoskins:** I'll do my best. I think the Minister of Energy is coming to this committee in the next couple of weeks, so you'll have an opportunity to question him as well on this issue.

I'm sure somebody will jump up if I'm incorrect on this, but my understanding is that all long-term-care homes will be eligible for—well, it depends on the size, but both for-profit and not-for-profit long-term-care homes will be able to benefit from the measures that were contained in the legislation introduced last week. If they are of sufficient size, they can benefit from the ICI program, which is based on the level of consumption of energy. Again, the secondary aspect of that: The smaller long-term-care homes, whether they're for-profit or not-for-profit, would benefit from the 8% reduction, which is equivalent to the provincial portion of the HST.

**M<sup>me</sup> France Gélinas:** Okay, so it's your understanding that they will qualify for the 8%?

**Hon. Eric Hoskins:** Nobody got up to try and correct me, so—maybe they did.

**The Chair (Ms. Cheri DiNovo):** Madame Gélinas, you have under five minutes left.

**M<sup>me</sup> France Gélinas:** I have what?

**The Chair (Ms. Cheri DiNovo):** Just about five minutes left.

**Hon. Eric Hoskins:** Yes. The smaller one—I was just getting some information with regard to their eligibility for the ICI program, which is based on consumption, which I think is 50,000 megawatts per month. If it's under that level of consumption, they're eligible for the HST reduction, but, again, regardless of the nature of the long-term-care home, whether it's for-profit or not-for-profit.

**M<sup>me</sup> France Gélinas:** And is there any opportunity, if they are above that threshold but are a not-for-profit or a municipal home, to qualify for the 8% rebate? Is this something that you would consider?

**Hon. Eric Hoskins:** I think depending on the local context, the nature of that long-term-care home—not based on whether they're for-profit or not-for-profit, but the level of consumption—below 50,000, it is my understanding that they would be eligible for the 8%. If they're above that, they have eligibility toward the ICI program, which can actually be considerably more than the 8%. So there may be different benefits that accrue depending on the nature of the consumption. But the ICI program is actually, for businesses, quite an attractive option in terms of the potential for savings.

**M<sup>me</sup> France Gélinas:** Okay.

**Dr. Bob Bell:** My understanding from colleagues is this is under active discussion between our two ministries as well. I think what we're describing are some of the things we know. There's probably more detail to follow, I think, Madame Gélinas.

**M<sup>me</sup> France Gélinas:** Okay. I just wanted to put on the table that the not-for-profit and municipal sectors have a benefit when it comes to taxation that the for-profits do not have. They were looking at basically expanding those benefits, taxation-wise, to the same group for the 8%. But I'll take it that you are still talking about this and there's still hope. Let me know when all hope is gone, or before.

**Hon. Eric Hoskins:** Hope is never gone—not entirely. I'm happy to speak with the Minister of Energy. Actually, I have had a brief opportunity, but I'm happy to speak to him so that, hopefully, when he comes for estimates himself, he'll be able to provide additional details.

**M<sup>me</sup> France Gélinas:** My next question is a long one, so can I—

**The Chair (Ms. Cheri DiNovo):** You have two minutes.

**M<sup>me</sup> France Gélinas:** Can I add my two minutes to my next one?

**The Chair (Ms. Cheri DiNovo):** You have two minutes.

**M<sup>me</sup> France Gélinas:** Damn. Okay, I'll try to make it a very quick one. Hospital overcrowding continues to be a huge problem—in the hospital where I'm from, anyway. Is there dedicated funding to help those hospitals that are dealing with overcrowding?

**Dr. Bob Bell:** I think it's fair to say that the alternate-level-of-care issue that we're currently seeing across the hospital sector hasn't increased, but it continues to be a concern. We track this on a monthly basis. Currently, the number of ALC patients approaches about 15% across the province.

We're really interested in acute bed occupancy as well. As you know, the highest number of hospital sites—34—reporting 100% occupancy occurred in fiscal 2014. In 2015, we recognized 23 sites, so there was an actual decrease in the number of sites reporting 100% occupancy in 2015.

We recognize, however, that we really need to be absolutely sure about the data that we're receiving, so we are doing a program with the hospitals to clean up data as to how they're determining their occupancy rates.

We do have quite a bit of work under way currently, looking at alternate-level-of-care patients. We're concerned that in the last four months, the proportion of patients being added to the ALC list has actually increased by about 1% per month rather than—

**The Chair (Ms. Cheri DiNovo):** I'm afraid that you are at the end of your time. Thank you.

We now move on to the government. Mr. Fraser?

**Mr. John Fraser:** Thank you very much for being here today. I'd like to continue on with nursing. But as a

bit of a prelude to my question, I am the son of a nurse, so I would be remiss if I did not say a few things about that nurse right now, because I think it's important as I frame the question.

My mom was a registered nurse and worked at the National Defence Medical Centre. She was a civilian nurse. She worked the floor for about 35 years. I know how hard she worked. She was a graduate from Western. She got a scholarship through the Victorian Order of Nurses for public health. She was a public health nurse at the time that she was pregnant with me, and she was teaching prenatal classes. As it turned out, she had the worst labour of everyone that she taught. It was—I don't want to go into the length. If I live two lifetimes, I'll never be able to repay my mother for that, for the kind of work that she did for our family.

I joke about this sometimes: The solution to our primary health care problem is actually that every family have a nurse somewhere in their extended family. I know that in circumstances, even with my children now and their children, it has really avoided a lot of emergency room visits. You can pick up the phone and you can call a nurse who happens to be in the family. They have to take your call. It has avoided a lot of emergency room visits.

I have to say thanks to my mother, Mary, since we've got it in Hansard. She's probably not watching right now, but I think it's important to frame—I think everybody's personal experience with nurses—they're a really critical part of our health care system. I know that in the riding I represent, Ottawa South, health care is like what auto is to Oshawa. There are thousands and thousands of nurses who live in my riding, and they work in all different settings, just as my mother did.

1610

I know that at times, we have debate about nursing and nursing positions. We have 26,000 net new nurses since 2003, and I think 3,000 last year. That's a great record. That's something more than a 20% increase.

It's critical that we understand that as the health care system transitions, the kinds of things we're doing to support hard-working nurses as their scope expands, as their fields of expertise expand, as they work in different settings and are working more in the community—my simple question is, what are those things that we're doing?

**Hon. Eric Hoskins:** Thank you for this very important question. You yourself have referenced some of the important progress that's been made in the province since we formed government in 2003. I think the most dramatic evidence of the progress is that there are 26,000 more nurses employed in the province throughout the sector. Our most recent data demonstrate that there has been an increase in nurses employed in our hospitals as well. Also, extremely importantly, and it's important to the sector, under the Liberal government there has been a significant increase in the percentage of nurses working full-time—so a number of measures taken.

The previous member had referenced the investment in this year's budget of \$85 million largely towards our

nurse practitioners and others who are so critically important to the health care system. Arguably, every health care professional plays an equally important role in the lives of Ontarians when they intersect with the health care system in whatever way, and that is often through public health. It's not only through a hospital environment, through home care or long-term care, but our nurses are at the absolute forefront of that effort. There is a tremendous affection, appreciation and respect for nurses in this province because of the work they do day in and day out, so our obligation is to make sure that we're providing them with not only the resources but the opportunity to practise to their full scope.

I'd like to suggest that Denise Cole, who's the assistant deputy minister responsible for this important aspect of health care delivery, come and speak for a few minutes with regard to the question you asked.

**Ms. Denise Cole:** Thank you, Minister. Do you need me to introduce myself again?

**The Chair (Ms. Cheri DiNovo):** No.

**Ms. Denise Cole:** Okay, good. I'm delighted, as you know, that the government recognizes that nurses play an increasingly vital role in the delivery of high-quality health care in Ontario. Nurses make up the majority of the 28 regulated health care providers in the province, and as a ministry we continue to build on the nursing strategy that was developed and introduced a few years ago.

The goals behind the strategy and some of the achievements were to optimize the role of nurses to promote access, integration and patient-centred care across the system, improve access to continuing education and professional development, and enhance recruitment, retention and stability in the nursing workforce. I think it's fair to say that much of the goals of the nursing strategy has been achieved, but there's still more we need to do.

Some of the key initiatives under the strategy include the Nursing Education Initiative; the recently—well, not so recent anymore but a year and a half ago we announced the Attending Nurse Practitioners in Long-Term Care Homes Initiative; our nurse-practitioner-led clinics; the Nursing Graduate Guarantee program; the primary health care nurse practitioner education program; the Late Career Nurse Initiative; and the 9,000 nurses initiatives.

Just to elaborate on those key initiatives, the Nursing Education Initiative, which we often refer to as the NEI, supports continuing education and professional development for nurses across the career continuum. For this fiscal year, 2016-17, the ministry has provided \$1.9 million to the Registered Practical Nurses Association of Ontario, and \$7.56 million to the Registered Nurses' Association of Ontario, to administer the NEI.

Through the Nursing Education Initiative, nurses receive education to meet changing patient needs and improve the quality and safety of the care that they provide.

Since the program's inception, over 178,000 education grants have been offered, more than 50 best practices

guidelines have been developed by the RNAO, and over 50 Ontario organizations have been designated as Best Practice Spotlight Organizations.

Turning to the Attending Nurse Practitioners in Long-Term Care Homes Initiative, you'll recall that the initiative is meant to fund up to 75 attending nurse practitioner positions. We have provided \$14 million to increase access to and quality of primary health care in those long-term-care homes across the province.

In 2015-16, funding was provided for the first round of 30 new attending nurse practitioner positions, so 75 positions are being phased in and implemented over a three-year period: 30 FTEs in the first year, 30 in the second year and the remainder of the 75 in year three.

I'm delighted to say that as of yesterday, we now have 23 attending nurse practitioners that have been hired in the first round, and those 23 attending NPs have been hired across 31 long-term-care homes and are providing services to residents in those 31 LTES.

The purpose of the position is to enhance resident care through proactive screening and assessment, timely specialist referrals, ongoing chronic disease management and end-of-life care. In fact, it's envisioned that the attending nurse practitioner in those homes will be the most responsible provider. For the homes that have been selected, we've worked quite closely with the LHINs to identify those homes in those LHINs that could best use the attending nurse practitioner positions.

Investments such as the nurse-practitioner-led clinics continue to show positive results. Today, our 25 nurse-practitioner-led clinics are providing faster access to primary health care to more than 50,000 patients across the province.

For early career nurses, the nursing strategy focuses on strengthening the foundation of the nursing workforce in Ontario. Key initiatives are the Nursing Graduate Guarantee and the primary health care nurse practitioner education program.

The Nursing Graduate Guarantee, or as we fondly refer to it, the NGG initiative, provides new nurses with temporary employment to support their transition into practice and to permanent full-time positions. Since 2007, over 21,000 new nurses have been supported by this program. An evaluation conducted by the Nursing Health Services Research Unit at McMaster University indicates that nurses who participated in the Nursing Graduate Guarantee were 1.5 times more likely to be employed full-time and 2.3 times more likely to be retained within the same organization. In fact, based on the evaluations that we've done annually in the program—we've just completed a consultation engagement with key nursing partners across the system, in particular the ONA, the RNAO, the RPNAO and the Nurse Practitioners' Association of Ontario, to make some further refinements to the program. We anticipate being in a position to roll out those refinements in the next short while. That will only strengthen the opportunities for new graduates to transition into that full-time employment.

1620

Turning to the primary health care nurse practitioner education program, not many people are familiar with this initiative, but it provides advanced education and clinical experience for students to become nurse practitioners. The ministry supports this education program with \$7.1 million—that's the amount for this fiscal year—and over the last three years, almost 500 nurses have graduated from the education program. I should point out that without that financial support, a number of the participants who have taken advantage of the program to become nurse practitioners would not have been able to do so.

For experienced nurses, the Ontario nursing strategy focuses on using their knowledge and experience to improve patient care. Key initiatives are the Late Career Nurse Initiative and 9,000 nurses initiative. The Late Career Nurse Initiative, or the LCNI, supports late-career nurses to use their knowledge, skills and expertise to advance projects that improve patient care and the quality of work environments. Since 2004, the initiative has benefitted over 21,000 nurses.

The 9,000 nurses initiative supports innovative nursing positions and roles across the health care system through an annual investment of \$192.5 million—and that is an annual base investment. This provides opportunities for career enhancement and development of new knowledge and skills. New nursing roles created include: registered nurse-surgical first assist; nurse practitioner with specialty education in anaesthesia; patient navigator; and discharge navigator.

By targeting the unique needs of nurses at different stages in their careers, the nursing strategy has contributed to the increase of nurses employed in nursing in Ontario. The College of Nurses of Ontario reports that 137,525 nurses were employed in nursing in Ontario in 2015. This is up 1.7%, or 2,245 nurses, from 2014, and up 23.7%, or 26,307 nurses, from 2003. By comparison, Ontario's population has grown by 12.8% during the same time period.

The overall rate of full-time employment for nurses in Ontario remains strong at 63.4%, an increase of 14% since 2003—

**The Chair (Ms. Cheri DiNovo):** Just so you know, you have just under five minutes left.

**Ms. Denise Cole:** Okay, great. I'll speak faster.

Data from the Canadian Institute for Health Information, or CIHI, shows that in 2015, full-time employment rates for Ontario's nurses continued to be significantly higher than the Canadian average. For our registered nurses and nurse practitioners, Ontario's full-time employment rate was 66.9%, compared to 60.8% nationally. For our registered practical nurses, Ontario's full-time employment rate was 55.2%, compared to 48.4% nationally.

The 2016 budget emphasizes our commitment to nurses with:

—the \$85 million, which Madame Gélinas spoke to earlier, over three years to support recruitment and

retention of qualified inter-professional staff, including nurse practitioners, in primary care settings;

—an additional 80,000 hours of nursing care in home and community care; and

—expanding the role of registered nurses to allow them to prescribe some medications directly to patients.

The government recognizes that our nurses are valuable, highly trained professionals. We continue to support initiatives that enhance their skills, knowledge and expertise, and optimize their scope of practice to meet patient care and health system needs.

I just want to conclude by speaking very briefly to an initiative that we have in place jointly with the Ministry of Labour, and that's the joint table between the two ministries and key partners across the sector dealing with workplace violence in health care settings.

There has been a leadership table that has been established that consists of senior executives from the health sector, both ministries, representatives from front-line stakeholders, patient advocates, and experts. Over 100 people have volunteered their time and expertise and have been participating in this initiative. The range of organizations includes management and labour groups, agencies and research groups. All of these individuals are making a valuable contribution to the action plan that will be presented to the leadership table at the end of this year.

Examples of the work that the four working groups are undertaking include—but I must stress that it's not limited to these things—standardized data collection to allow for the monitoring of trends and performance; public reporting via quality improvement plans; guidance on the right staffing skill mix; and the development of tool kits for organizations.

The leadership table has met four times since being established in September of last year—September, February, April and August of this year—and is pleased with the progress made so far. I should point out that the leadership table is co-chaired by the Ontario Hospital Association and the Ontario Nurses' Association. A final report with recommendations and plans for action developed by the four working groups will be presented to the leadership table and the Ministries of Labour and Health and Long-Term Care at the end of the calendar year.

Have I used up my time?

**The Chair (Ms. Cheri DiNovo):** You have just over a minute left, if you'd like to wrap up.

**Ms. Denise Cole:** All right. I will expand a bit on the—

**Mr. John Fraser:** Let me tell you something: I'll give you a break this first time.

**Ms. Denise Cole:** But I really want to talk about this particular thing.

**Mr. John Fraser:** Okay, then you go ahead.

**Ms. Denise Cole:** It's the work that we're doing around expanding the scope of practice for registered nurses. We have been doing some consultations over the course of the summer, in particular with the RNAO,

around what that would look like. As some committee members may know, we did ask HPRAC to provide some advice not around whether or not we should do it but, since the government has made the commitment to expand the scope, how best to move forward with implementation.

It is our hope that we will be in a position to do the next stage of engagement with the key partners, looking at what the educational component should look like. The minister has made a commitment that it will be independent prescribing—so what are the parameters around independent prescribing, what does it look like, how will we know it when we see it—with an eye to be able to do the legislative amendments required some time before—

**The Chair (Ms. Cheri DiNovo):** You are now finished. Thank you.

**Ms. Denise Cole:** You're welcome.

**The Chair (Ms. Cheri DiNovo):** We now move to the official opposition. Mr. Yurek, you have around 12 minutes.

**Mr. Jeff Yurek:** Twelve? Thanks very much, Chair.

It has been a while since we had this talk. In one of the last few times we were at estimates, I asked you about when you were going to come out with a bill to create the new LHINs, and you said “soon.” I’m hoping lightning strikes twice here: When are pharmacists getting the expanded scope of practice with regard to vaccinations?

**Hon. Eric Hoskins:** Soon.

We've been working, as I think you know—and I know you strongly support this, as do I—with our pharmacists and with the regulatory body to put in place the required regulatory changes to enable this. We are very close to being in a position where pharmacists can begin to deliver what I would call “travel plus.” There was a committee that was established, comprised of a number of experts, including pharmacists themselves, to determine what those might be or should be. So I'd say we're very, very close.

Certainly in this calendar year, I made a commitment to our pharmacists—I did a number of months ago—that we hope to be able to enable them to do this in the early fall.

1630

**Mr. Jeff Yurek:** And with regard to the shingles vaccine, it's out and available. I'm getting quite a few calls in my office that people are going to the pharmacy to try to obtain the shot. Now it can only go through the doctor's office or a nurse through the health unit. Is that how it's going to be supplied?

**Hon. Eric Hoskins:** Through their primary care provider. Through public health offices as well? I'm getting nods. Yes, free of charge. That is the method that they would need to follow to obtain that vaccination, yes; and it is available.

**Mr. Jeff Yurek:** Great. Just a question. The Health System Research Fund: Can you tell me how much has been allocated to that fund for this year and how many projects or research grants have been allocated and money has been sent to this date?

**Dr. Bob Bell:** It's a \$31-million fund, Mr. Yurek, and we haven't rolled it out this year as of yet.

**Mr. Jeff Yurek:** You haven't rolled out any this year?

**Dr. Bob Bell:** Not as of yet. Continuing funding is going out but no new announcements.

**Mr. Jeff Yurek:** No new announcement? Have you paid out any of the research money to any of the researchers? Has that been taken—

**Hon. Eric Hoskins:** So in the last fiscal year, we provided \$45 million in research funding for HSRF. We will be providing \$31 million this fiscal year through HSRF.

**Mr. Jeff Yurek:** Do you know when that money will be flowing and when the applicants will be notified that they'll be receiving that funding?

**Mr. Patrick Dicerni:** My name is Patrick Dicerni. I'm the assistant deputy minister of the strategy and policy branch within the Ministry of Health and Long-Term Care. Within my division, we administer the research dollars within the ministry; namely, the strategic health research fund.

We have our fund broken down into a few different streams of research for the purpose of—the first is called program awards, and those are three-year rolling awards to establish researchers within the health research community. A second tranche is capacity awards, which are targeted at new and emerging researchers in the health field to, frankly, expand the scope of the health researchers that the Ministry of Health engages with. Within my division, we also fund the ICES research institute.

With respect to your question, Mr. Yurek, in terms of when we will be rolling out new awards against the program awards stream, we took a pause in that award stream as we are—any number of activities going on within the ministry around LHIN renewal and some of the work we're doing around mental health. We want to make sure that our research call is targeted towards priority areas in the ministry. So we put a pause on that and we've been working with the research community to articulate when we hope to restart that, ensuring that the research we get back is actionable and aligns with the emerging ministry priorities.

I hope, in concert with the minister and the deputy, to get back to the research community. Two things would be our priority: to make sure we're not having work done, in terms of applications to the ministry, for research done in vain—so we want to capitalize on the work that's done, not take the valuable time of researchers—and to make sure that we're awarding program awards to studies and research that have the most impact and benefit to the ministry.

**Mr. Jeff Yurek:** I've just been receiving calls from researchers who aren't getting that information that there's a pause. They are now trying to maintain the research they've started under funding from this fund and now they're struggling to maintain the work they've put into it. So maybe if you can get the word out to them so they can make the countermeasures necessary.

**Mr. Patrick Dicerni:** Will do.

**Mr. Jeff Yurek:** Next question—10 minutes left?

**The Chair (Ms. Cheri DiNovo):** Seven.

**Mr. Jeff Yurek:** Seven?

**The Chair (Ms. Cheri DiNovo):** Six.

**Mr. Jeff Yurek:** Six? If I keep talking, five?

This is with regard to the report of violence on hospital staff that's been on the rise. Last August, you established the Workplace Violence Prevention in Health Care Leadership Table to address the issue. We're going to "make hospitals safer; reduce incidents of workplace violence..." Could you just give us an update on the status of this implementation plan?

**Dr. Bob Bell:** I'm a member of that committee, Mr. Yurek. We have a variety of working groups that are reporting to the council itself. This partnership between the Ministry of Labour and the Ministry of Health has a leadership table with representatives of front-line stakeholders, patient advocates, experts in violence prevention, as well as senior executives from both ministries in the sector.

The focus in year one, as you know, is a focus on violence prevention for nurses in hospitals. In years two and three, we anticipate expanding the scope to cover all workers in hospitals. In years four and five, we're expanding the scope further to cover all workers in the broader health care sector.

The working groups I mentioned are focused on leadership and accountability, hazard prevention and control, communication and knowledge translation, indicators evaluation and reporting.

The executive committee includes the deputies of health and labour, and the co-chairs are Linda Haslam-Stroud, president of the Ontario Nurses' Association, and Anthony Dale, president and CEO of the Ontario Hospital Association.

Minister, do you want to add further—

**Hon. Eric Hoskins:** Do you want me to add—

**Mr. Jeff Yurek:** That's good. Thanks. The number of assaults on nurses, do you have any idea if it's starting to decrease in the hospitals?

**Dr. Bob Bell:** If I may, Minister, we just saw data on lost time to workplace injury over the last year from Health Quality Ontario. We're delighted that that's actually trending down. I haven't seen the most recent data on workplace violence and lost time. I believe the trend is also down in that area, from what I've heard anecdotally.

**Mr. Jeff Yurek:** It's important to keep working and focus on this. I know there are nurses in the London hospitals who are fearful to go to work in the ERs. I had one who was beaten and is off work with multiple contusions and concussion. It's not something they should be experiencing in their workplace, so I encourage you to continue any and all efforts you can to—

**Dr. Bob Bell:** Thank you. You know, the bias is that this is a problem that occurs mainly in psychiatric facilities. But you're absolutely right. There are general areas of risk to nurses: emergency departments, critical care areas and general medicine wards. The data shows

that they're all equally risky for violence. This work is extraordinarily important.

The Ministry of Health is absolutely committed to best practices spreading. We have hospitals like the previously named Toronto East General Hospital and Southlake hospital that are really focused on violence prevention and are recognized by the Ontario Nurses' Association as being magnet hospitals in this regard. The concept of zero tolerance for this risk is spreading rapidly in the Ontario hospital community.

**Mr. Jeff Yurek:** Okay. Just some quick questions here. If you could get me the total number of people employed by the Ministry of Health—it's a number I'm sure you don't have here at your fingers—if you could get that to committee.

With regard to the 12 CCAC CEOs who have legal counsel representing them, is there any public money being used to pay for this legal counsel?

**Hon. Eric Hoskins:** No.

**Dr. Bob Bell:** No, there's not.

**Mr. Jeff Yurek:** If you can get me a number of how much the cost to administer the Exceptional Access Program—

**Hon. Eric Hoskins:** The administration of it as opposed to the cost of the program itself?

**Mr. Jeff Yurek:** Right.

**Hon. Eric Hoskins:** We can look into that.

**Mr. Jeff Yurek:** And then if you can also give me the total amount of money spent on drugs through the EAP, if you could break that down for me as well.

**Hon. Eric Hoskins:** Okay. We can look into that as well.

*Interjection.*

**Mr. Jeff Yurek:** Last year and this year, please, for both.

**Hon. Eric Hoskins:** Last year and this year.

**Mr. Jeff Yurek:** That would be great. How much time is there? One minute?

With regard to Ornge, we've heard that they are using public paramedic services in Ontario for non-urgent transfers without a contract, which means paramedic services are not being compensated when it takes an ambulance off the road. Can you let me know how many paramedic services are affected by this?

**Hon. Eric Hoskins:** Thank you. We can look into that as well.

**Mr. Jeff Yurek:** And how many contracts does Ornge have with the private transportation companies across the province for non-urgent transfers?

**Hon. Eric Hoskins:** Noted.

**Mr. Jeff Yurek:** Is that it?

**The Chair (Ms. Cheri DiNovo):** Thirty five seconds or so. Spend them wisely.

**Mr. Jeff Yurek:** The other one was like a five-minute question. No, I think that's it.

1640

**The Chair (Ms. Cheri DiNovo):** Okay. Thank you. We now move on to Madame Gélinas. You have, again, about 12 minutes.

**M<sup>me</sup> France Gélinas:** Twelve? I thought I had 20. Twelve?

**The Chair (Ms. Cheri DiNovo):** We're down to 12.

**M<sup>me</sup> France Gélinas:** You're stressing me.

All right, so I have five questions. I'll finish hospital overcrowding, then I want to talk about Patients First, then the long-term-care inspections and the changes, then the capital funding and repairs and then the OMA agreement. All of this in 12 minutes—everybody talk fast.

**Hon. Eric Hoskins:** We'll do our best.

**M<sup>me</sup> France Gélinas:** Deputy, you were saying that in the last four months, the ALC increased about 1% a month. I really enjoyed getting this view, but my question was, is there any money coming for any type of help toward overcrowding, or are we still in the data-gathering stage with no action in sight?

**Dr. Bob Bell:** I'll just start, Minister. There are \$345 million being invested in hospitals in the 2016-17 fiscal year, which is a 2.1% increase. That would constitute:

—\$175 million to provide access to more services in new and redeveloped hospitals and for targeted priority services such as expanded organ and tissue transplants;

—\$160 million to improve access and wait times for hospital services, including additional procedures such as cataract surgeries, total joint replacements and arthroscopies;

—\$7.5 million for small, northern and rural hospitals, in addition to Ontario's \$20-million Small and Rural Hospital Transformation Fund, as well as \$6 million focused for mental health hospitals.

You asked about Health Sciences North earlier. This year, we're anticipating that, with the inclusion of quality-based procedure increases for the health-based allocation methodology funding, the total of incremental funding for Health Sciences North is just under \$5 million, which would represent about 2.5%, I believe.

**Hon. Eric Hoskins:** Just under 2%, actually.

**Dr. Bob Bell:** Just under 2%, sorry.

**Hon. Eric Hoskins:** I'll speak fast, but I'll just add, as well, when comparing 2014-15 to 2015-16, if you look at the number of acute beds with regard to capacity issues, the acute beds in the province have gone up by approximately 1,000, from 18,621 to 19,657. So we are adding beds, as well, in that concrete way to deal with the capacity issues.

**M<sup>me</sup> France Gélinas:** My next one is on Patients First. After Patients First was tabled, the Ontario Hospital Association came because they were very unhappy with some of the wording of the bill, which they interpret to mean that the LHINs will have the opportunity to basically go over what the boards decide, and they felt that they were not consulted before this came out.

I'm guessing that this bill will be coming back shortly. Is this something you're willing to look at?

**Hon. Eric Hoskins:** We'll be coming back shortly. We've had numerous discussions with the OHA, the Ontario Hospital Association, with regard to some of the concerns that they have raised. I think that you can

appreciate that LHINs already have certain abilities to be able to manage and coordinate care within their catchment area.

The goal of the bill is simply to improve that coordination, planning and oversight for the betterment of the delivery of health care. But we've heard the concerns of the OHA, and I'm confident that, through reintroduction as well as ongoing discussion with the OHA, we'll be able to resolve their concerns.

**M<sup>me</sup> France Gélinas:** Can we expect changes in the reintroduction, or is it the same?

**Hon. Eric Hoskins:** I do not firmly know the answer to that yet. There may be changes.

**M<sup>me</sup> France Gélinas:** There may be changes?

We're going to change the powers of the LHINs without ever having finished the review that was mandated by legislation of the LHIN. Are we ever going to finish this?

**Hon. Eric Hoskins:** As I think you can appreciate, there was considerable work done in advance of, I think, the 2014 election when that review process was terminated, as it would be naturally. Significant recommendations that were put forward—

**M<sup>me</sup> France Gélinas:** No, we never made any recommendations. We only heard from deputants—

**Hon. Eric Hoskins:** But in terms of the recommendations that we heard through the process that I'm confident that the ministry has incorporated, the majority of what we've heard in terms of being able to strengthen—

**M<sup>me</sup> France Gélinas:** So the answer is no?

**Hon. Eric Hoskins:** Well, I think that it was really the decision of the committee to determine whether that—given that there was an electoral process, I think the procedural requirement is that the committee would have to reintroduce that mechanism.

**M<sup>me</sup> France Gélinas:** So if the committee so wishes, you'll go forward? I doubt that.

I'm moving on to long-term-care inspections. I was briefed on it. The amount of money doesn't change, just the way we do things.

I was just curious to see: Did you ever quantify, in dollar value, the backlog that needed to be done?

**Hon. Eric Hoskins:** No, we haven't quantified that, but clearly it was imperative—and there was an expectation and a commitment by the government—to ensure that all long-term-care homes are inspected. That has been done. It's important to speak to the safety and the confidence of the residents who call that home.

**M<sup>me</sup> France Gélinas:** So what happens if the changes that you have done do not free up enough resources to handle the full backlog?

**Hon. Eric Hoskins:** We're confident that the changes that we will be implementing will in fact free up resources to enable us to significantly reduce any backlog.

**M<sup>me</sup> France Gélinas:** Okay, but you don't know how much you're saving, and you don't know how much the backlog was going to cost you?

**Dr. Bob Bell:** We aren't really saving. We've recruited 100 new inspectors as part of the accentuation

of the resident quality inspections process being done. As you know, it's been done for two years running and we're continuing to do an annual inspection of every long-term-care home. However, the length of the inspection process is now being dictated by the risks apparent in the first two inspections, plus what we're hearing from residents and families about the conditions in the home. So a more risk-based approach tailored to what we know about the home—

**Hon. Eric Hoskins:** In fact—if I can add—that was the recommendation of the Auditor General, that we focus on the high-risk homes and that we modify, or consider modifying, our approach to focus our efforts on those that are deemed to be, or likely to be, more high-risk.

**M<sup>me</sup> France Gélinas:** But you cannot answer my question as to how much funds you figure that you'll be able to redirect, that you won't use—

**Hon. Eric Hoskins:** Well, it's difficult to say. I think we have the same complement of inspectors, they're just going to be deployed in a slightly different way, as per the AG's recommendation, focusing on the moderate-and high-risk homes. The vast majority of homes are fully compliant in this province, and other jurisdictions have successfully deployed models which do precisely what the Auditor General has recommended. So I think it's less a savings and more a modification of the approach, because we still have the same complement of inspectors. They will just be doing their work in a slightly different fashion. The result—

**M<sup>me</sup> France Gélinas:** You have somebody beside you.

**Hon. Eric Hoskins:** We are on track to significantly reduce the backlog.

**Dr. Bob Bell:** We got the same message.

**M<sup>me</sup> France Gélinas:** So on track, with a deadline of? When do you figure we won't have a backlog anymore?

**Dr. Bob Bell:** We will always have some degree of backlog. The issue is the time from the time of reporting to the time of managing the inspection. We're stratifying that, based on the severity of the complaint—the risk represented by the concern expressed, as recommended by the Auditor General.

**M<sup>me</sup> France Gélinas:** I have to move on because I have three and a half minutes.

The capital funding: Remember we asked if we could have the value of the necessary repairs and upgrades that each hospital needs? We got this big list, everything but the name of the hospital. In education, we asked for the same thing; we got it for every school. In health, we don't know which hospital is associated with the necessary repairs and upgrades. When will you make this information public?

**Hon. Eric Hoskins:** As I've mentioned in the Legislature, there is a concern about both the interpretation of those figures—it's the dollar value required to restore a facility to brand new status. In some instances, it may be a hospital that, the following year, is going to be replaced with an entirely new hospital, so you can

imagine that that's not a wise investment, to restore the existing hospital. In other cases, it might be a multi-site facility, but—

**M<sup>me</sup> France Gélinas:** But the same thing exists in schools—

**Hon. Eric Hoskins:** Well, I can't speak for education. I follow the guidance of our ministry and the legal advice that we're provided with as well with regard to not wanting to jeopardize the independent procurement process and for capital investments. That's our goal in not providing the identity of the specific facility.

1650

**M<sup>me</sup> France Gélinas:** But that doesn't hold water when the exact same information is available for schools. When you ask somebody to redo your roof or redo your air conditioning or redo your heating system, they don't care if it's a school or a hospital; they are the same bidders. They have this information for the schools. They don't really care—I'm not even sure they look at it—but I care.

**Hon. Eric Hoskins:** But when you're replacing your roof, you don't tell the three contractors that you're prepared to pay them \$15,000 to do that; you ask them to competitively bid.

**M<sup>me</sup> France Gélinas:** The school does. The school has this information available. We have it per school.

**Hon. Eric Hoskins:** Well, I can't speak to the process that the Ministry of Education goes through.

**Dr. Bob Bell:** I think it's fair to say that the Facility Condition Assessment Program, or FCAP, in the Ministry of Health is considered to be highly evidence-based and very much related to the funding that we provide to hospitals. Perhaps for that reason, because of that tight alignment—that tight, evidence-based approach that we've taken to the HIRF funding—we feel that it's not appropriate to make that information available, for potential problems with procurement. Perhaps our information is a little more evidence-based than our colleagues' in education.

**M<sup>me</sup> France Gélinas:** Can you share the dollar value and the names of each hospital for this year's and last year's allocation of the Health Infrastructure Renewal Fund?

**Hon. Eric Hoskins:** We can certainly look into that—noted.

**M<sup>me</sup> France Gélinas:** In my 20 seconds left: Any idea when we will have an OMA agreement?

**Hon. Eric Hoskins:** Well, I remain hopeful.

I have to say I'm gratified that both your leader, Andrea Horwath, and Patrick Brown, the leader of the official opposition, have endorsed the government's position with regard to binding arbitration. Both are on record publicly as stating that they're not prepared to give it in advance of negotiations, that it should be part of a number of issues discussed as part of the negotiations process. That has been our position for some time. I'm gratified that both opposition parties support that too.

**M<sup>me</sup> France Gélinas:** The question is, when do we expect an OMA agreement?

**Hon. Eric Hoskins:** Well, it's going to be difficult to have an agreement absent negotiations. That's why I have personally implored the OMA to come back to the negotiations table absent their demand for a precondition, that of granting binding arbitration.

Again, I'm pleased that both leaders of the opposition parties—

**The Chair (Ms. Cheri DiNovo):** Thank you. I'm afraid the time is up now.

We will move to the government side. Mr. Dong.

**Mr. Han Dong:** Minister, I have a question on the Behavioural Supports Ontario program.

During the summer, I had the pleasure of touring my riding and being at several events at long-term-care facilities. While they're enjoying the support there and the great care given by the front-line workers, I also hear that from time to time it is a great challenge for the front-line workers to deal with complex behaviour. It affects the environment and also the experience of other residents, as well. A lot of times, the individuals involved in this have circumstances or perhaps a more complex background than we can anticipate.

In my riding, given the fact that there is evidence of an increase in dementia patients—and also the diversity that we enjoy here in Toronto—how is this program going to help the front-line workers in long-term-care facilities better care for their patients? How exactly are these funds being used?

**Hon. Eric Hoskins:** Thank you for that very important question.

In a moment, I'm going to ask Brian Pollard, the director of our long-term-care homes division, to elaborate. But I should add that today we've released a discussion paper on the province's dementia strategy, which was important work that Indira Naidoo-Harris did when she was parliamentary assistant to the Minister of Health. Her important work and the consultations that she did throughout the province obviously informed the priority that you've referred to.

I'm pleased as well—I think we all are—that there was an additional investment of \$10 million on top of the \$44 million annually that is spent on behavioural supports. Particularly with an aging population—and we can all appreciate that we see, as a population ages and the demographic shifts so that there are more individuals and, regrettably, a high prevalence of dementia like Alzheimer's and other forms of dementia—we are increasingly understanding the benefit of having an approach which truly responds to and supports the unique circumstances that individuals might have, whether it's in a long-term-care home or elsewhere.

This investment will, without question—and it has been so well received within the long-term-care community, for example, and by the staff who work in that environment and the individuals who are part of that behavioural support program because it allows them, often facing challenging circumstances, to work with individuals with complex behaviours or illnesses or diseases like dementia, again, whether they're in long-

term-care homes or in their own homes or have various other forms of community supports.

Brian, perhaps you can introduce yourself formally and then speak some more to this.

**Mr. Brian Pollard:** Sure, my pleasure. Thank you, Minister.

I'm Brian Pollard, acting assistant deputy minister of the long-term-care homes division. I'm happy to be here today to talk to you about our BSO program and some successes that we've been seeing with the launch of that program.

The ministry is aware, as the minister said, that the number of residents exhibiting dementia and other complex conditions is growing. Improving access to appropriate care for individuals with these diagnoses is a key priority for us. It's embedded in our Patients First action plan. As a result, the ministry has enhanced, and continues to enhance, the amount and quality of care and services provided to residents of long-term-care homes. One such initiative is Behavioural Supports Ontario, also known colloquially as BSO, which I am pleased to, as I said, speak to you about today.

In 2011-12, the ministry launched BSO to implement a framework for care to support system improvements for older people with cognitive impairments who exhibit challenging and complex behaviours, as was said, wherever they live, whether at home, in long-term care or elsewhere.

Between 2011-12 and 2012-13, the ministry invested \$59 million to successfully implement BSO, which included supporting the redesign of service delivery across the province and the hiring of over 600 new staff to meet the needs of these individuals with challenging and complex behaviours. As of the summer of 2013, the implementation of BSO was completed with ongoing oversight for BSO resources transitioned to each LHIN. That's where we started to introduce a real local element to it. The Hamilton Niagara Haldimand Brant LHIN is now the point of contact and that CEO is the LHIN lead for Behavioural Supports Ontario.

Through BSO, a provincial framework of care was implemented across the 14 local health integration networks or LHINs, which integrates new, locally appropriate service models, including the establishment of long-term-care home specialized behavioural units. There are also behavioural outreach teams, and included in that are standardized care pathways, best practices and measurements that are all supported by Health Quality Ontario.

Between 2013-14 and 2015-16, the ministry provided \$44 million base annually to maintain the health human resources related to BSO. We've just, as part of the 2016 Ontario budget, announced an additional \$10 million on top of that \$44 million. That money is now out with the LHINs to distribute, so there is \$54 million in the field related to BSO.

The local health integration networks will use the additional \$10 million in BSO funding to (1) hire specialized health care staff to meet the regional service

needs for older adults in Ontario with cognitive impairments exhibiting complex and responsive challenging behaviours, (2) promote seamless care and coordination between service providers across sectors and (3) enhance services for individuals with challenging and complex behaviours.

LHINs are developing locally appropriate implementation plans to outline how the new investment will be allocated to enhance existing BSO service delivery models and the BSO continuum of care. It's entirely possible that as you go across the province, you will hear BSO talked about in various or different service configurations.

LHINs have the flexibility to allocate the new funding to enhance existing BSO models and for new specialized staffing to support local priorities—and I would underline "local priorities"—in long-term care and other sectors as part of their planning mandate.

1700

The ministry's priority outcomes for BSO include:

(1) Reduced resident transfers from long-term-care homes to emergency departments, hospitals or behavioural units in situations where the resident can be treated in their long-term-care setting. It's really about maintaining the resident in the long-term-care home, if at all possible.

(2) Delayed need for more intensive services, either in the community or in a long-term-care setting, thereby reducing admissions to hospital and risk of becoming ALC, as we were just talking about.

(3) Reduced length of stay for persons in hospital who can be discharged to the community or a long-term-care setting with appropriate supports—and those would be enhanced behavioural resources. So if you're in hospital today with ALC, these resources can hopefully help expedite your leaving a hospital setting.

The ministry maintains strong engagement with BSO stakeholders, including the BSO provincial coordinating office and the lead LHIN for BSO. As I mentioned just now, it's the Hamilton Niagara Haldimand Brant LHIN. They have all provided invaluable input on investment and implementation approaches. Our BSO stakeholders include clinicians who are dealing with these residents on a daily basis—so front-line staff who are actually living it with residents.

BSO has been successful in establishing foundational health human resource capacity and other resources to support the care and safety of individuals with complex and challenging behaviours. One of the real successes of BSO is that care delivery has been enhanced through flexible models that can adapt to the needs in local areas. This includes integrated teams that support patients and long-term-care residents as they transition within the health care system, community outreach teams to divert people from long-term care, and additional direct care staffing who are right in the long-term-care homes.

BSO is having real results for residents and families. Just to give you a snapshot, in 2015-16, for BSO initiatives: We received over 33,000 referrals, with the majority being triaged to teams in long-term-care homes,

and we supported an average of 23,000 patients and families in each quarter. This is quite a sizeable impact that our BSO investment is having. As mentioned, BSO services include successfully supporting individuals as they move across the health care continuum. As reported by eight LHINs—this is just a snapshot—in 2015-16, over 3,000 such transitions were supported by BSO teams.

That just gives you a sense of how Behavioural Supports Ontario has been launched and is being rolled out across the province. We're currently at a stage where we're very engaged with our LHINs, as we introduce this new \$10 million this year, in enhancing their models. We look forward to continuing to work with them and the sector on the best implementation of this program.

**The Chair (Ms. Cheri DiNovo):** You have about two minutes left.

**Mr. Han Dong:** I just want to say that this is really good information just given by our staff. Back in my riding, I've got to do more communication work and let people know that these are available now. One of the challenges that I think any government faces is to effectively communicate these programs to the level where people will feel the difference and see the difference. We've got a lot of jobs as MPPs, both on this side and on the other side as well—making sure that government programs from all ministries get properly communicated. In my case, in my community I need to translate some of these so that the service receivers and taxpayers can better understand what we are doing. I'm preparing a news piece to go out, as well as some social media, blogs and stuff. We have all of these technologies available to us right now and there is no reason why we can't take advantage of that and really broaden our communication projection to the constituency here in my riding.

Thank you very much for that information.

**The Chair (Ms. Cheri DiNovo):** You've got about a minute left.

**Hon. Eric Hoskins:** It's really about a culture change, too. Our society is changing, and it has to change to reflect an aging demographic and the fact that dementia in its various forms is a reality that's with us. And we're not simply talking about dementia. That's obviously a big part of this—and it won't be with us forever. I'm confident there will be a cure or preventive measures or supportive measures that can be put in place. So that education and awareness is critically important, but it's also—literally, virtually everything we do in society, we need to begin to rethink it so it accommodates and is supportive of the populace that resides there, right? Sometimes that's focused on protections—

**The Chair (Ms. Cheri DiNovo):** That is about it.

**Hon. Eric Hoskins:** You're welcome.

**The Chair (Ms. Cheri DiNovo):** Thank you very much.

This concludes the committee's consideration of the estimates of the Ministry of Health and Long-Term Care. Standing order 66(b) requires that the Chair put, without

further amendment or debate, every question necessary to dispose of these estimates. Are the members ready to vote?

Shall vote 1401, ministry administration program, carry? Carried.

Shall vote 1402, health policy and research program, carry? Carried.

Shall vote 1403, eHealth and information management, carry? Carried.

Shall vote 1405, Ontario health insurance program, carry? Carried.

Shall vote 1406, public health program, carry? Carried.

Shall vote 1411, local health integration networks and related health service providers, carry? Carried.

Shall vote 1412, provincial programs and stewardship, carry? Carried.

Shall vote 1413, information systems, carry? Carried.

Shall vote 1414, health promotion, carry? Carried.

Shall vote 1407, health capital program, carry? Carried.

Shall the 2016-17 estimates of the Ministry of Health and Long-Term Care carry? Carried.

Shall I report the 2016-17 estimates of the Ministry of Health and Long-Term Care to the House? That is carried.

We're going to have a bit of a break before we start our next ministry. We'll reconvene at 5:15. Thank you all.

*The committee recessed from 1707 to 1715.*

#### MINISTRY OF ABORIGINAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Could members take their seats, please? We're due to start. Minister, members, we are going to get started. Mr. Miller's up first.

I'll read the preamble. We are here to resume consideration of vote 2001 of the estimates of the Ministry of Aboriginal Affairs. There is a total of nine hours and 47 minutes remaining. As we have some new individuals in the room, I would like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

We would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant to the estimates of the ministry. The ministry, for its part, demonstrates openness in providing information requested by the committee.

As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee to ensure they are confident the ministry will spend those dollars appropriately. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the

hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may verify the questions being tracked by the research officer at the end of your appearance.

If there are any inquiries from the previous meetings that the minister or ministry has responses to, perhaps the information can be distributed by the Clerk at the beginning in order to assist the members with any further questions. Minister, are there any items?

**Hon. David Zimmer:** I'm sorry, I was distracted.

**The Chair (Ms. Cheri DiNovo):** Are there any items, Minister, that you would like to distribute to the committee?

**Hon. David Zimmer:** Not at this time.

**The Chair (Ms. Cheri DiNovo):** Okay. We will now resume consideration of vote 2001 of the estimates. When the committee last adjourned, the official opposition had six minutes remaining in their 20-minute round of questions.

Mr. Miller, the floor is now yours.

**Mr. Norm Miller:** Thank you, Chair. Only another nine hours and 47 minutes to go.

**Hon. David Zimmer:** I'm looking forward to developing our relationship over these nine and a half hours.

**Mr. Norm Miller:** I thought I'd start with something that's current, and that is the situation in Grassy Narrows First Nation in northern Ontario. There's a report in the *Globe and Mail* from just yesterday, September 20, saying, "The chief of the Grassy Narrows First Nation in northern Ontario says the federal and provincial governments must help his community overcome the effects of decades of mercury poisoning." The report was current because—I'll just read a bit from it—"Japanese researchers found more than 90% of the people in Grassy Narrows and the Wabaseemoong (White Dog) First Nation show signs of mercury poisoning, including a new generation of residents...."

"Fobister calls it 'shameful' that communities and people impacted by mercury poisoning have to fight for every bit of help they can get, and said he still wants a commitment from the province to clean up the local river."

This is the chief speaking: "'There's been no real, solid, clear commitment that a cleanup will take place if the scientists say it can be cleaned up.'"

I understand that a study was funded to look at the science. I'm just wondering, if that study comes back and suggests a way to clean up the river, is there money budgeted to clean up the river, and if so, how much money is budgeted to clean up the river?

**Hon. David Zimmer:** Thank you for that question, Mr. Miller.

Look, I want to emphasize this as strongly as I can: This government and my ministry are very serious about finding some solutions—the solution or solutions—to the situation in Grassy Narrows.

You're right; we have just received the latest report on Grassy Narrows. We're reviewing that in detail. That

report came down on September 20, Tuesday of this week, and that report is being studied now by the relevant ministries.

1720

There are a couple of schools of thought about the best way to address the problem. The key here, as I said in my answer to the question this morning from, I think, Ms. Gélinas, is that we have to get the right answers. There are some discussions from different points of view within the scientific and engineering community on the right way to proceed or the best way to proceed. There are some options that are out there.

But we are committed to addressing the problem. We are committed to getting the best option. In fact, in support of that, Ontario has provided \$300,000 to support water, sediment and fish study sampling in the area.

Earlier in the summer, in June, Minister Murray from the Ministry of the Environment and Climate Change and myself—there were representatives from the federal government there, and my deputy minister was there with her team and there were some other scientists—met with Chief Fobister at Grassy Narrows, and we had a full and frank discussion of these issues. As a result of that meeting, we agreed to proceed with the study that I've just referenced.

The other important thing that happened at that meeting was that we agreed that Chief Fobister, Minister Murray and I would meet on a regular basis to review the work that the scientific team was bringing forward to address this.

I can tell that about six weeks after that initial meeting with Chief Fobister, Minister Murray, Chief Fobister and I met here in Toronto with our respective teams to discuss the progress of that team over the immediate preceding six weeks. We have another meeting scheduled coming up soon.

We are keeping a close political eye on the problem. The scientists are doing their diligent work to come up with the best possible options.

**Mr. Norm Miller:** It sounds like you've met a few times, but obviously, as reported in this article, the chief says that there is no commitment. His exact words are, "There's been no real, solid, clear commitment that a cleanup will take place if the scientists say it can be cleaned up." I think I'm hearing—

**Hon. David Zimmer:** I'm sorry; I missed the last few things you said.

**Mr. Norm Miller:** He said, as reported yesterday, "There's been no real, solid, clear commitment that a cleanup will take place if the scientists say it can be cleaned up."

It sounds like you've met with him a few times, and I'm hearing that you're willing to do what you can to try to fix the problem. But based on what he's saying in the newspaper, he doesn't seem to think that there is a commitment from the government to clean up this problem.

**Hon. David Zimmer:** We are committed to addressing this problem. That's why we had the initial meeting.

That's why we've had the follow-up meetings about the political oversight of the work that the scientists are doing. I can tell you that the Minister of the Environment and Climate Change is committed to protecting the environment and the watershed there.

I can tell you also that, on June 27, 2016, the Minister of the Environment and Climate Change and I committed \$300,000 through the MOECC for the sediment study. That's ongoing as—

**The Chair (Ms. Cheri DiNovo):** I'm afraid your time is up. If you could just wrap up, Minister.

**Hon. David Zimmer:** The important thing here is that the work that we're doing is going to be guided by Grassy Narrows leadership, with the participation of Ontario and the community leaders—

**The Chair (Ms. Cheri DiNovo):** Thank you. I'm afraid that's it.

We are going to move on to Madame Gélinas.

**M<sup>me</sup> France Gélinas:** How long do I have, Chair?

**The Chair (Ms. Cheri DiNovo):** You have 20 minutes.

**M<sup>me</sup> France Gélinas:** Okay; thank you.

I'm going to stay on Grassy Narrows because I would like you to have an opportunity to explain things. We have done the studies, we know that we can clean the river, and it's \$200 million to clean the river, and this is the best method that all the scientists and engineers agree to. Where would the money come from?

**Hon. David Zimmer:** As I said in my introductory remarks, we are committed to dealing with this situation. But your question jumps ahead to how that should be done. What's the best way to address this problem?

The so-called—I'll call it the Japanese report. It was released yesterday or the day before. While I haven't had a chance to review it in detail, I do note that a press conference or a media availability—as I said this morning in my answer to the question you posed, Dr. Hanada, who is the lead Japanese physician and scientist on this—even he said, "It is possible that things get worse because of the turning of the soil and the water."

One of the options here—

**M<sup>me</sup> France Gélinas:** I'll interrupt you for one second because we looked through the entire report and I cannot find that quote. Where did you get that quote from?

**Hon. David Zimmer:** It was at a press conference, not in the report; a press conference or media availability. Dr. Hanada made that statement to the press conference or the media availability.

**M<sup>me</sup> France Gélinas:** Yesterday, you were saying that he made those comments.

**Hon. David Zimmer:** Yes.

**M<sup>me</sup> France Gélinas:** Okay. So those comments are not from the report—

**Hon. David Zimmer:** No.

**M<sup>me</sup> France Gélinas:** —they are from the availability that he did after the press conference yesterday.

**Hon. David Zimmer:** Yes.

**M<sup>me</sup> France Gélinas:** Okay.

**Hon. David Zimmer:** I think I should add that any of the technical questions relating to the river cleanup that you've raised really have to be directed to the Minister of the Environment and Climate Change. That's within his technical purview of what the appropriate technical solution is. But I come back to my point: There are options out there and it's a question of getting the best solution.

Here, I have the transcript of the press conference. It's in small print here. Question from an unidentified—I gather it was a reporter or somebody: "Sorry, I just wanted to ask: Many government officials, including the Premier of Ontario, have said that they don't want to make the problem worse." Answer from Dr. Hanada: "It is possible that things get worse because of the turning of the soil and the water... but the monitoring of this level is very important." That's what the sediment study that the Ministry of the Environment is funding is digging into.

But clearly, the challenge here is to get the best solution, and there are different ideas on what that might look like. Having said that, we want to address this problem.

**Mme France Gélinas:** Okay.

**Hon. David Zimmer:** You can get the transcript.

**Mme France Gélinas:** Yes. This morning, when you answered my question, you said that it was in the report.

**Hon. David Zimmer:** Yes. I was asked about that later and that was corrected. I should have said "media availability," not "report."

**Mme France Gélinas:** Okay. We have an entire report that basically talks about the health effects of this mercury contamination on 90% of the people, including the children. This has been going on for decades. How much longer do you figure they're going to have to wait before we agree on a best solution?

**Hon. David Zimmer:** That will depend on the expert advice that we get and on the decisions that are taken as a result of that advice, both by the government and by Grassy Narrows.

**1730**

For instance, I know that the Ministry of Health and Long-Term Care is also working with the community of Grassy Narrows on their request for the results of blood testing done by Health Canada. I think it's between the years 1978 and 1992. Officials from the ministry are working with the Office of the Chief Archivist, the Chief Coroner of Ontario and the federal government to determine the location of the data that they requested; that is, the blood sampling and so on.

The point here is that there has to be some good science done to get the best options to choose the best solution.

**Mme France Gélinas:** How can we justify that it has been 50 years and we have not had time to do the best science yet? Really, how can we look at each other—how can I look at the minister responsible for reconciliation 50 years later and we still don't know what to do? How can you give those people hope that you are serious, that you want reconciliation, that First Nations lives matter, and answer the questions with that one quote—not from

this big report, one quote that gives you permission to study some more and, from their point of view, stall at making a decision, so that they will all be dead and you won't have to make one?

**Hon. David Zimmer:** That is an unfair characterization. We are not stalling on any decision to address this problem—

**Mme France Gélinas:** Fifty years.

**Hon. David Zimmer:** I can't live my life backwards, and you can't live your life backwards, but I can live my life forward and we can all live our lives forward. The question is, what are we going to do to deal with this problem? We can't deal with 20 or 30 years ago. This government, our Premier and I and everyone at my ministry, from the deputy minister right down to the receptionist answering the phone, are passionately committed to indigenous affairs.

It's not just happenstance that we changed the name of the ministry recently from the Ministry of Aboriginal Affairs to the Ministry of Indigenous Relations and Reconciliation. We put huge importance on developing, maintaining and improving our relationship with indigenous peoples and tacking onto the ministry name "reconciliation." We put huge importance on that.

Dealing with issues like Grassy Narrows—in fact, dealing with the range of issues, be it Grassy Narrows, be it education, be it economic opportunity—we are mandated to get the right answers, to get the best answers.

**Mme France Gélinas:** So you agree to commission a study. When you ask the people locally as to, "How is it going with the study? Has anybody come to do sediment testing?" the answer we got was, "They haven't come yet." There hasn't been any testing of the sediment. There hasn't been any scientists who have come. So did they all come in the middle of the night and nobody saw them?

**Hon. David Zimmer:** Well, I can tell you that the Ministry of the Environment and Climate Change has made that commitment of \$300,000 and that that work is under way, but just who arrived on the site, on what day and did what testing—you'd have to ask the technicians or the folks over at the Ministry of the Environment.

**Mme France Gélinas:** But can you see that within your ministry, to make sure that those promises of action actually deliver is an important part of reconciliation? Your government has made a promise of a \$300,000 study. We all know that up north the leaves are turning red. Pretty soon, the river will be frozen over. There is no sediment testing once the river is frozen over. You made that promise back in the spring; we are now looking at fall, and nothing has been done.

When we talk about reconciliation, we talk about taking those things seriously. Your ministry has a job to do: to make sure that this work is done promptly. How can you reassure them that this job is done promptly? Have you made sure that it was going to be done promptly?

**Hon. David Zimmer:** Look, as I said, it's the Ministry of the Environment that carries out those technical

studies. I'm going to ask the deputy if she has any information of what has been happening and so on, but I'm sure it's going to end up over with Assistant Deputy Minister Batise.

**Ms. Deborah Richardson:** Sure. Just to—

**The Chair (Ms. Cheri DiNovo):** For the purpose of Hansard, would you introduce yourself?

**Ms. Deborah Richardson:** *Remarks in indigenous language.*

My name is Deborah Richardson, and I'm the Deputy Minister of Indigenous Relations and Reconciliation.

I would like to elaborate a little bit more on the specifics. We visited the community, and Minister Zimmer pointed to that, but at the community we came away with some agreement about how we were going to move forward. It was actually quite an honour because the community did, in ceremony, have a request to both Minister Zimmer and Minister Murray, in terms of presenting Minister Zimmer with a pipe, which is quite an honour, and that we would smoke that pipe when that river is cleaned up and remediated.

We spent a whole day with the community, and we did have some agreement with the leadership within Grassy Narrows. What we agreed on was that we would work immediately on a transfer payment agreement—Shawn can speak to that; he has been negotiating that with the community and with the Ministry of the Environment and Climate Change—and also to ensure political check-in. Minister Zimmer and Minister Murray felt very strongly that there would be regular check-ins monthly with Chief Fobister to make sure that things were moving as they needed to move and that there was an agreement on how the scientists could move forward together, because Grassy Narrows First Nation feels very strongly—there's a lot of mistrust in the government and mistrust of scientists. So there's an agreement that Grassy Narrows will continue to be able to work with their scientists and that the scientists will figure out how to move forward together and undergo that testing and that data collection that needs to happen.

I'm not sure if you, Shawn, have any additional information you wanted to share beyond that, or if you think that covers it.

**Hon. David Zimmer:** You can introduce yourself and then give the technical information.

**Mr. Shawn Batise:** Shawn Batise: assistant deputy minister for the negotiations and reconciliation division of the Ministry of Indigenous Relations and Reconciliation. Sorry, I'm fairly new, so I have to keep reminding myself of some of the acronyms and terms.

In terms of what we have done in fact with the testing itself, there has been some testing that has been carried out by Grassy Narrows scientists. It was done, as far as I know, sometime in July. We actually flowed some funding, an advance on the \$300,000, to cover off those expenses. The MOECC did not have any involvement in that testing, as far as I know. So some sediment samples have been taken. I don't know exactly how many, but this has been confirmed by the First Nation.

We are now waiting just to get the transfer payment agreement in place so that we can provide the resources to have those samples analyzed and tested at a lab. Then, sometime in the next few months Grassy scientists will presumably do an analysis of the results from those tests and, from what I understand, meet sometime in the winter—January is the current date—to review the analysis from those scientists along with MOECC scientists and independent, objective scientists from—I can't say for sure which university, but there were a couple of scientists identified from a university and agreed upon by the group.

1740

**The Chair (Ms. Cheri DiNovo):** You have just over four minutes left.

**M<sup>me</sup> France Gélinas:** I will stay on Grassy Narrows and wait for my other question.

You all realize how important it is for the First Nations, and you said it yourself: They gave you a pipe. With the pipe came a commitment that you will smoke it when the river will be cleaned up and the river will be restored. So you understand that this means you have a commitment to this First Nation to clean it up and to restore, or you don't accept the gift. Once you've accepted the gift, it came with a commitment that you will smoke it when the river will be cleaned up and when the river will be restored.

Do you see what you have agreed to? You have agreed to a cleanup. And now the expectations are that we are moving toward a cleanup. But whenever we ask you about this, you take the first exit away from it. You say, "Oh, forget about the report from the Japanese scientist; let's focus on one sentence he said during a press conference, that maybe we won't do the cleanup because it will disturb the sediment."

Can you see that this is not in line with reconciliation? Can you see that you cannot give false hope and carry your mandate of reconciliation? Will you agree that you made a commitment to cleaning up when you accepted the pipe?

**Hon. David Zimmer:** I have two parts to your answer.

One, I accepted the pipe. I accepted the pipe personally, I accepted the pipe on behalf of the ministry and I accepted the pipe on behalf of the government of Ontario. I am aware of the sacredness of that acceptance.

Number two, in answer to your question, I hope, France, that you would agree with me that whatever solution is taken is the best solution. To paraphrase the medical doctors' oath, the big thing is to do no harm, to do no further harm.

How do we get to that point, where we have the best solution in place that does no further harm? It's by looking at the options that are being presented to us and choosing the best one. And it's not just the government or the Ministry of the Environment choosing the best option; we are doing that in conjunction with and, in fact, it's being led by Grassy Narrows First Nation and in particular Chief Fobister.

**M<sup>me</sup> France Gélinas:** When Chief Fobister hears you say things like—in my question you could have said, “If the science says we should clean, we will clean.” They are wanting so badly for you to say this, but you chose to say: “Oh, there’s a quote that says maybe it’s better not to clean.”

Do you see? We’re talking reconciliation. They want to hear you say that if it can be clean, it will be clean. This is what you did when you accepted the gift. But yet, whenever you have an opportunity to speak on this issue, you say, “Maybe it’s better not to clean.”

**Hon. David Zimmer:** No, that’s not what we said. We said we wanted the best solution. Now you’re putting words in my mouth and you’re grandstanding a bit; I apologize for saying that, but you are.

Everybody wants the best solution. The comment from Dr. Hanada—he said, “It is possible that things get worse because of the turning of the soil and the water.” So turning the soil and water and digging up the sediment is one approach. There are other approaches too.

**The Chair (Ms. Cheri DiNovo):** I’m afraid we’re going to have to leave it at that, Minister, and move on. You can, perhaps, finish your thought as we turn to the government side.

Ms. Kiwala.

**Ms. Sophie Kiwala:** Thank you, Madam Chair, and a warm welcome to the estimates committee.

I just want to say at the outset that, since I have become your PA, I corroborate fully what you have said about the commitment on behalf of your entire ministry to the positive reconciliation and relationship with all indigenous peoples across this province. I’ve been truly impressed with that every step of the way, every day that I’ve had the opportunity to work on any of the projects that we have worked together on so far.

I think it’s important also at this point to say that we do need to have faith that we are going to do the right thing in all areas of the ministry. I think we need to assume that as a modus operandi, and move on from there. No, we can’t go back 10, 20, 30, 40 or 50 years, and I sense that it’s the intention of this ministry to make good on their commitment and do everything possible.

I would like to talk a little bit today about the Chapleau Cree settlement treaty. I just want to make some reference to the historical aspect of the wonderful celebration that we had just over a week ago. In 1905 and 1906 the crown negotiated Treaty 9 with the Cree and Ojibway peoples living in the vicinity of the Albany, Missinaibi and Abitibi Rivers in northeastern Ontario. Chapleau Cree First Nation is an adherent to Treaty 9. However, Chapleau Cree First Nation submitted a treaty land entitlement claim to Ontario and Canada, asserting that it did not receive all of the reserved lands to which it is entitled under the terms of Treaty 9.

Minister, as you are well aware, Chapleau Cree First Nation, Ontario and Canada successfully concluded that agreement, their negotiations of the treaty land entitlement claim—an event in history that we had the honour of celebrating just last week.

I also wanted to talk a little bit about my impressions of that event. I was really quite struck at how committed every member of the team was, both in the Ministry of Indigenous Relations and Reconciliation, as well as in the Ministry of Natural Resources and Forestry. We had the opportunity to meet with John Nolan, the senior negotiator; Leigh Freeman, another negotiator for your ministry; Allyssa Case, who was a lawyer who worked on this settlement agreement initiative, who is now with MCSS; as well as Wikar Bhatti, who is a surveyor—often, the surveyors are not acknowledged in some of these very large projects. The work that has gone on behind the scenes has been astounding. It’s gone on for many years, as you know.

As we know, indigenous peoples have a physical, spiritual, social and cultural connection to the land, so the settlement of treaties is an enormous event for all parties to celebrate. The importance of looking after the land and being nurtured by the land is all the more important when fresh produce and food are expensive.

To get back to the question, specifically, I’m wondering if you can elaborate a little bit on why Ontario agreed to negotiate a settlement of the Chapleau Cree claim.

**Hon. David Zimmer:** Thank you for that question, and thank you for attending at Chapleau Cree First Nation—I guess it was last week—to celebrate that.

1750

The background to the Chapleau Cree claim: Back in 1905-06, the crown negotiated Treaty 9 with the Cree and the Ojibway peoples living in the vicinity of the Albany, Missinaibi and Abitibi Rivers. That’s up in northeastern Ontario. Chapleau Cree First Nation is an adherent to Treaty 9, but here’s the wrinkle: Chapleau Cree First Nation submitted a treaty claim entitlement to Ontario and to Canada asserting that it did not receive all of the reserve lands which it was entitled to under the terms of Treaty 9. So that sets the background for it.

Negotiations got started, and, as you’ve said, they were concluded successfully from all parties’ points of view.

The reserve of Chapleau Cree First Nation is within the municipality of Chapleau; it’s about 250 kilometres northeast of Sault Ste. Marie.

Under Treaty 9, reserve lands were to be set apart for each band, “the same not to exceed in all one square mile for each family of five, or in that proportion for larger and smaller families.” So what that worked out to was the equivalent of about 128 acres of land per person. In 1905-06, a reserve of only 267 acres was set apart for the Chapleau Cree First Nation. In 1991, Ontario transferred about 2,500 acres to Canada, to the federal government, to be set aside as reserve for the Chapleau Cree First Nation, also known as the Fox Lake Indian reserve. This transfer partially fulfilled the crown’s obligation under the treaty to provide lands for a reserve. The Chapleau Cree First Nation submitted its treaty claim to Canada and Ontario in May 1992. Ontario accepted the claim in 2000; Canada accepted the claim in December 1999. When I say “accepted the claim,” they accepted that there

was a claim there, and then it was a question of negotiating how to resolve the claim.

What's the status of the Chapleau Cree First Nation land entitlement claim? Well, as you've pointed out, it has been resolved. But let me tell you something about the settlement. The settlement agreement provides:

- the transfer from Ontario to Canada of about 4,000 hectares—that's 9,800-and-something acres—of unpatented crown land that's to be set aside as a reserve for Chapleau Cree First Nation;

- the payment by Ontario to the First Nation of a little over \$350,000—that has already been paid;

- the payment by Canada of a little over \$21 million—that has already been paid;

- in addition, Ontario will provide Tembec—that's a company out there—with \$500,000 to construct a new access road to divert existing forest traffic away from what will become the reserve lands.

So this is a good-news story for Chapleau Cree First Nation. It's a good-news story for Ontario, for the federal government and, above all, it's just the right thing to have been done.

**Ms. Sophie Kiwala:** Thank you for that. I want to talk a little bit more about the importance of land to indigenous people and the settling of the treaties.

As you know, I'm also the PA to the Minister of Children and Youth Services. We had an opportunity to go to Moosonee, Moose Factory and Kashechewan. We had the opportunity to be present in Kashechewan when 24 youth came back from a 300-mile canoe trip which lasted about three weeks. It was quite an emotional moment when the youth came back. They were embraced on the shores by their family, and you knew when they came back that they got their life out of that journey. The families knew that and you could feel that.

Non-indigenous people have a different relationship with the land. They buy and sell it, and sometimes they make a profit; sometimes they make a loss. But indigenous people have a much more profound connection to the land and I don't think that that can be stated often enough. I'm glad that we continue to work hard on building those relationships and working on reconciliation in every sector of our province.

I wanted to ask you also a little bit about why Ontario negotiated a settlement of the Chapleau Ojibwe claim, and if you could just elaborate a little bit more on that.

**Hon. David Zimmer:** I gave the preamble in my answer to your previous question about the Chapleau

Cree. There are little differences here. Under Treaty 9, as I've said earlier, reserve lands were to be set aside for each band. I quote again, because it's a lot of language there: "...the same not to exceed in all one square mile for each family of five or in proportion for larger and smaller families." That worked out to an equivalent of about 128 acres.

With respect to Chapleau Ojibwe as opposed to Chapleau Cree, the reserve set aside for Chapleau Ojibwe at the time of the treaty was 160 acres in area. In 1950, a little over 2,000 acres were added to the reserve. The Chapleau Ojibwe First Nation submitted its treaty land entitlement claim to Canada in 1995 and to Ontario in 1997. It was a couple of years before the Chapleau Cree.

The Chapleau Ojibwe First Nation submitted a revised claim in 2007. The Chapleau Ojibwe First Nation asserted that it did not receive all of the lands that it was entitled to under Treaty 9, which I referenced in my earlier answer, and that at least a little over 8,000 acres of land or a little over 12 square miles were owed to Chapleau Ojibwe.

Ontario accepted that claim in August 2007. Canada accepted the claim in October 2008—and when I say "accepted the claim," they accepted that there was a valid claim there, part 1, and then part 2 is to negotiate a settlement to the claim. There was no issue that there was a claim. There was a claim, but what should the settlement look like?

Negotiations commenced in November 2008 and the current status or the result was that in December 2013, Chapleau Ojibwe First Nation requested cash in lieu of land for the settlement of the treaty land entitlement claim that I've just referenced.

An agreement was reached between the First Nation and Ontario with respect to the value of that outstanding land. After some further negotiations, we were waiting for Canada's negotiators to make a formal settlement offer. The First Nation—that is, Chapleau Ojibwe—requested that Ontario settle the claim bilaterally, not trilaterally. The claims are usually Ontario, the relevant First Nation and the federal government—

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Minister, that we are out of time. We're at the 6 o'clock mark, so hold that thought. We will be adjourned, but we will come back next Tuesday morning at 9 o'clock. Thank you all.

*The committee adjourned at 1800.*



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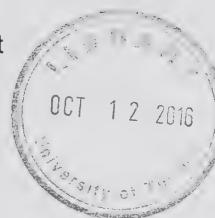
E-3

E-3

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## Legislative Assembly of Ontario

Second Session, 41<sup>st</sup> Parliament



## Official Report of Debates (Hansard)

Tuesday 27 September 2016

## Assemblée législative de l'Ontario

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Mardi 27 septembre 2016

Standing Committee on  
Estimates

Comité permanent des  
budgets des dépenses

Ministry of Aboriginal Affairs

Ministère des Affaires autochtones

Chair: Cheri DiNovo  
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## **CONTENTS**

Tuesday 27 September 2016

Ministry of Aboriginal Affairs .....	E-21
Hon. David Zimmer	
Ms. Deborah Richardson	
Mr. Shawn Batise	
Ms. Esther Laquer	
Ms. Alison Pilla	
Ms. Hillary Thatcher	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 27 September 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 27 septembre 2016

*The committee met at 0900 in room 151.*

## MINISTRY OF ABORIGINAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Good morning, everyone. We are now going to resume consideration of vote 2001 of the estimates of the Ministry of Aboriginal Affairs. There is a total of nine hours and two minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from the previous meeting that the minister or ministry has responses to, perhaps the information can be distributed by the Clerk at the beginning in order to assist the members with any further questions. Are there any items, Minister?

**Hon. David Zimmer:** Just an observation: I would hope that the opposition members, in their questions this morning, are not in a caliginous mood.

**The Chair (Ms. Cheri DiNovo):** That's not an item, but duly noted.

When the committee adjourned last week, the government had five minutes left in their round of questions. Madam Kiwala, the floor is yours.

**Ms. Sophie Kiwala:** I'm happy to have this last five minutes to wind up some of the conversation that we had the last time we met. I'm still thinking about the treaty-signing ceremony that I had the opportunity to be present for in Chapleau Cree. I think it's something that constituents in our ridings may not understand the significance of, so I wanted to just read into the record a few of the details related to the significance and the scope of that signing ceremony, just so that more people are aware, and then I'll ask you to comment at the end with your reflections on the significance of the event.

As we know, on November 26, 2010, the Minister of Northern Development, Mines and Forestry withdrew approximately 21 square miles or 13,440 acres of land from mineral staking to support the Chapleau Cree First Nation claim negotiations. This was done to ensure that the lands would remain available to settle the claim.

The settlement agreement provides for the transfer from Ontario to Canada of approximately 4,000 hectares or 9,884.2 acres of unpatented crown land, to be set apart as reserve for Chapleau Cree First Nation. The payment by Ontario to the First Nation of \$352,688 has already been paid. The payment by Canada of \$21,468,028 has already been paid as well. Ontario and Canada are being

released from liability for the claim. In addition, Ontario will provide Tembec with up to \$500,000 to construct a new access road to divert existing forestry traffic away from what will become reserve lands.

I'm just wondering if you can expand on the significance of this treaty signing for that region. Do you have any reflections on how the money will be used or where things will go from here for that region?

**Hon. David Zimmer:** Thank you for digging into the details of the Chapleau Cree First Nation treaty land entitlement negotiations. In your set-up to your question, you quite accurately set out what the settlement agreement provides for.

I want to emphasize that it is a settlement and I want to emphasize that it is an agreement. An agreement, of course, requires the consent and approval and indeed the support of all parties to the agreement.

I think the big takeaway here, aside from the details that you quite accurately put on the record, is that after a long period of time and a frank and fulsome and candid set of negotiations, the parties to the negotiation reached this agreement. That's a very good sign of things to come, when parties can sit down in a responsible fashion and a respectful fashion and put their concerns and their hopes and ambitions on the table and come to an agreement on how to realize those ends. That's a very good sign of what we can look forward to in our work on reconciliation with First Nations.

**Ms. Sophie Kiwala:** I agree that it certainly sets a very positive tone for the future. Having been on the ground on location during that signing ceremony, taking part in the pipe ceremony was pretty emotional. Having an opportunity to meet many of the partners who were there who had worked so hard on that agreement left an impact—

**The Chair (Ms. Cheri DiNovo):** Thank you, Ms. Kiwala, the time is up.

We now move to Mr. Miller.

**Mr. Norm Miller:** Thank you, Madam Chair.

I guess the first issue I'd like to start with is First Nations housing. I note that it is mainly a federal jurisdiction, but I'm just wondering what role the province plays in it. There's a huge shortage of housing in First Nation communities.

I note that, "The federal government has promised to build just 300 new homes in First Nations communities across Canada this year even though the government

itself acknowledges an immediate need of at least 20,000 homes on reserves."

I'm reading from an article from the National Post that says, "Crowded, unhealthy living conditions have been one of the main causes identified in youth suicide crises in remote, northern First Nations communities."

It goes on to say, "An internal assessment this year by Bennett's"—that would be the federal minister's—"officials concluded that, by 2031, the housing shortage on reserves will rise to 115,000 units...."

"In order to bring the number of people living in each home on a reserve down to the Canadian average of 2.5 persons per home, an additional 80,000 First Nations homes are needed right now...."

"On top of that, between 41% and 51% of existing homes are in need of repair. That figure was provided over the summer to MPs...."

So it seems to me that it is a crisis. The federal government is just building 300 homes when there are huge, huge numbers that are actually needed. It seems to be the root of a lot of the other problems that are on First Nations. I'm wondering what role, if any, the province has in trying to support improving housing in our First Nation communities?

**0910**

**Hon. David Zimmer:** Thank you very much for that question. I did read that article in the National Post the other day, and I was quite moved by it.

You are correct. Housing is an important issue in First Nation communities. When I visit First Nation communities—and I've visited 83 on-site first visits—a part of the day is set aside at which there is a formal agenda, and inevitably, one of the agenda items is housing. You're correct that housing is principally a federal responsibility, but Ontario does provide support for off-reserve indigenous housing.

Since 2008, Ontario has committed, through various affordable housing programs, over \$150 million to off-reserve indigenous households in the province of Ontario. Through the 2016 Long-Term Affordable Housing Strategy update, Ontario committed to developing a housing strategy in partnership with indigenous organizations to address the unique housing challenges posed by First Nation, Inuit and Métis peoples. Ontario will continue this engagement with First Nation, Métis and Inuit peoples.

Housing on-reserve, as I have said, is a federal responsibility, and we hope that the federal government will provide stable and sustainable funding for housing both on-reserve and, of course, off-reserve. I am working closely with my federal counterparts on these issues.

We are pleased to learn that the federal government is going to make a significant investment in on-reserve housing. The 2016-17 federal budget recognizes the urgent need. I understand that the federal government is going to invest almost \$555 million over two years, and we expect that a significant portion of that investment to support First Nations will be spent on Ontario First Nations. I do look forward to learning more about the

federal investment and to working with my federal counterpart, Minister Bennett, and other federal ministers, as we work together to improve living conditions both on-reserve and off-reserve.

You might be interested in a couple of important facts. I'll give you three just to start with. Approximately 17% of the indigenous population in Ontario lives in dwellings that require major repairs, and that's compared to 6% of the non-indigenous population. That's from the 2011 National Household Survey. Another interesting fact: Ontario's northern region experiences the highest rate of dwelling disrepair, with 19% of indigenous dwellings requiring major repairs. That information is also from that National Household Survey that I referenced. The third interesting fact, among many other interesting facts: During the period from 2014 to 2019, Ontario will dedicate \$44.1 million to extend off-reserve indigenous housing. That's the component of the Investment in Affordable Housing for Ontario Program.

While on-reserve is principally a federal responsibility—and we help where we can there—our major responsibility and our major effort, our direct responsibility, is for off-reserve affordable housing across the board. My ministry in particular deals with affordable housing for off-reserve indigenous communities. Why are we doing that? Because it's clear that access to safe, high-quality and affordable—and I want to emphasize "affordable"—housing is important to any community, family and individual for individual health and social outcomes. I would argue, given some aspects of the dark history here, that it's doubly important for indigenous communities.

I think that covers my answer to your question.

**Mr. Norm Miller:** In that article I was referring to, it does mention that in the 2016 federal budget—they plan on \$206 million in 2016. You talked about \$500 million, so that would be—the next year must be roughly \$300 million. That's only building 300 homes, so it seems to me that we're losing. Based on this spending, the demand is going up far faster than the effort to build and repair homes on-reserve. I don't know whether there's some other approach. Unless a lot of money is somehow found—it seems like we're not making headway, based on these numbers, anyway. I don't know what other innovative approaches might be—somehow to find ways of building housing on-reserve. I'm not sure what the answer is there.

I'll come back to the provincial part. You mentioned that you're spending \$150 million to assist off-reserve First Nation, Inuit and Métis people. You said it's in partnership. Can you tell me who it's in partnership with and how that money is being spent and what kinds of outcomes you hope to accomplish with it?

**Hon. David Zimmer:** As I've said and as you've recognized, Ontario does provide support for off-reserve indigenous housing. We have committed over \$150 million to the off-reserve indigenous housing program, through various programs that really have been in the works since 2008.

In addition, as part of the new poverty reduction strategy, Realizing Our Potential, we've committed to

updating the 2010 Long-Term Affordable Housing Strategy to reflect the particular lessons that we've learned and the new research on the best practices relating to housing and the homeless. We are working on updating that strategy, and in that process, what we've done is specifically sought the input of indigenous peoples and organizations throughout Ontario, to pose the question to them: Help us to identify ways to improve outcomes for indigenous people. We've heard from indigenous communities about the need for a very specific housing strategy to address these unique challenges and the needs of First Nations, Métis and Inuit peoples. There is an Expert Advisory Panel on Homelessness, which was established through this strategy. They've also made some very specific recommendations on homelessness prevention.

Listening to this feedback, we've committed to develop a specific indigenous housing strategy. We are working collaboratively with indigenous partners. It's a dedicated strategy. It will reflect the unique housing and homeless needs of indigenous communities. It will better support their specific housing desires and desired outcomes. The idea is to do this with the best possible advice, and of course, the best possible advice comes from the people who are living in the circumstances that we're trying to address.

We are working closely with the Ontario Federation of Indigenous Friendship Centres. That's an organization that has something in the order of 30 or so friendship centres across Ontario, everywhere from Toronto to Sudbury and Thunder Bay, and smaller communities also. We're working with the OFIFC on indigenous housing—

**Mr. Norm Miller:** Sorry, OFIFC?

**Hon. David Zimmer:** Ontario Federation of Indigenous Friendship Centres.

**Mr. Norm Miller:** Right.

**Hon. David Zimmer:** Since I've mentioned those centres, if you ever have a chance to visit one, you should. It's an inspiring visit to see the skill, the competence and the good work that they do. For instance, there's one in Toronto, Barrie, Sudbury, Hamilton—they're all over.

0920

It's particularly helpful and supportive of off-reserve indigenous persons who find themselves in Toronto or Barrie or wherever. They can go to the friendship centre and there's a wide range of supports there, everything that you can imagine: advice about employment, advice about health issues, and just the ability to sit down in a common room with your peers, enjoy a cup of coffee and dialogue and share your experiences about the challenges that you're facing if you're an indigenous person in those communities.

So we are working closely with our indigenous peoples to get the best possible advice. As I say, the best possible advice usually comes from people living the experience of homelessness.

**Mr. Norm Miller:** Just following up a little bit more: We do have a centre in Parry Sound where I have participated. I've been to their annual general meeting—

**Hon. David Zimmer:** Would you agree with me that it's an inspiring—

**Mr. Norm Miller:** —and to other events there as well.

The \$150 million that's being spent, can you help me understand—is it being used for subsidies? Let me understand how it's being spent to assist our indigenous people who are looking for accommodation. Do they just shop on the open market and get a subsidy? How does that money assist them?

**Hon. David Zimmer:** I'm going to ask the deputy minister to answer that, or refer that to one of the other people from the ministry here who have that technical background. Deputy?

**Ms. Deborah Richardson:** Good morning. Deborah Richardson, deputy at the Ministry of Indigenous Relations and Reconciliation. The Ministry of Housing really houses this portfolio but I do know a little bit. For example, when I was student I actually lived in Gignul Housing out of Ottawa, which is an indigenous housing corporation, and it is through subsidy; it's based on income. There are a number of indigenous housing corporations across Ontario—

**Mr. Norm Miller:** So do they actually own specific sites?

**Ms. Deborah Richardson:** Yes, they do. They do own sites.

**Mr. Norm Miller:** I believe the Métis have some organization that is involved, as well.

**Ms. Deborah Richardson:** That's right. The OFIFC, the Métis Nation of Ontario—for instance, here in Toronto there's Wigwamen housing and there's Nishnawbe Homes, so there are a number of different indigenous owned and led housing corporations across the province. Essentially, they own the properties and then they are able to enter into lease arrangements that are geared to income. I know some young people who have just graduated, who are just starting, who are able to get a leg up, especially in a place like Toronto where rent is very high. So it is geared to income, and they have properties right across the city.

**The Chair (Ms. Cheri DiNovo):** Mr. Miller, you have just under five minutes left.

**Mr. Norm Miller:** Do they also have some type of program that's a subsidy where the individual could just find an apartment on the open market and get some sort of subsidy towards the cost?

**Ms. Deborah Richardson:** I'm not aware of that, but I know that there was one initiative at one point that provided support for individuals who wanted to purchase—for young professionals who maybe needed a loan at a discounted rate for a down payment, for example. There were programs like that. I'm sure there are, I'm just not aware of the specifics. You'd really have to follow up with the Ministry of Housing.

**Mr. Norm Miller:** Is this satisfying the demand that is out there, the money that is being spent?

**Hon. David Zimmer:** The homelessness housing issue is such that you probably never meet the demand,

whether it's homelessness facing indigenous communities or non-indigenous communities. It's a constant challenge to keep up, but we do our best. We work very closely with indigenous partners, we get the best possible advice, but it's something that we have to constantly keep our eye on and keep trying to develop innovative plans and programs.

**Mr. Norm Miller:** I assume the largest population is probably the GTA and Thunder Bay.

**Hon. David Zimmer:** Yes, you're right.

**Mr. Norm Miller:** Is that where the money is being spent?

**Hon. David Zimmer:** Well, you concentrate your efforts across the board, but of course it makes logical sense to concentrate the—you'll make more efforts where there's greater need.

One of the challenges, of course, in First Nation homelessness or indigenous homelessness in a city like Toronto is that in some ways it's a mobile population, so it's hard to get a number on. Just yesterday, I was in discussions on this issue, and there is a range of numbers of what the First Nation population in the GTA is. It ranges from a lower number to a much higher number.

**Mr. Norm Miller:** I know I'm pretty much out of time, so coming back to that bigger question, the huge challenge of the on-reserve population—the numbers just seem staggering when you read this article, assuming it's somewhat correct. Do you have any thoughts about what the solution is to this huge problem on-reserve with this projection of 80,000? Currently, it's at 20,000 homes needed with a projection of that increasing to 80,000 homes. What's the solution?

**Hon. David Zimmer:** One of the approaches is that the Ontario Minister of Indigenous Relations and Reconciliation and the ministry itself and the Ontario government is and will continue to be an advocate for Ontario First Nations at the federal table. So I meet regularly with my federal counterparts. I meet informally with my federal counterparts, and I can tell you that everybody at my ministry, from the minister to the deputy minister to the assistant deputy ministers and down the line are pushing our federal colleagues, both politically and as public servants, to address this issue.

**Mr. Norm Miller:** It would seem to me that one of the solutions might be to try to generally raise income levels of indigenous people on-reserve. That's why I think projects like the Ring of Fire, which of course is in the northwest of Ontario, are so important, to see them get started, because that provides some hope and some possibilities of very good high-paying jobs for indigenous people. I know that in the mining—

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Mr. Miller, you are now out of time.

**Mr. Norm Miller:** I'll come back to that in my next—

**The Chair (Ms. Cheri DiNovo):** Thank you, Madame Gélinas.

**Mme France Gélinas:** Good morning, Minister. Good morning, everyone.

**Hon. David Zimmer:** Good morning.

**Mme France Gélinas:** I would like to start this morning with Mattagami First Nation in my riding. As you all know, on March 7, 2015, a CN train derailed and dumped over one million litres of crude oil into the Makami River, and the Mattagami First Nation has been directly affected by this. As you know, they have a big fishery operation—they raise little walleyes—as well as it being part of their traditional territories for hunting, fishing, gathering etc.

All through last summer, CN undertook to clean the mess and remove the one million litres of crude oil from the water. The cleanup was extensive. I was there on-site with members of Mattagami and Gogama numerous times. It was quite a process, and I would say thousands and thousands of litres of crude oil were removed. Then came winter, and everything froze over. As soon as the spring thaw came, it became obvious to everyone that there is still oil in the water.

**0930**

Since last spring, there have been exchanges between different parts of your government, mainly the Ministry of Environment and Climate Change, to tell CN to continue to clean. So the situation is like that.

CN does not dispute the fact that there is still oil in the water. The most recent testing—it just came out yesterday, actually—shows that there is still oil in the river, as well as, now some of it has migrated into beautiful Minisinakwa Lake.

When the derailment happened, people in Mattagami First Nation were promised—as well as everybody else, and I was there—that the site would be cleaned up and brought back to what it was before. Now we're being told that the site will be cleaned up to whatever range is acceptable to the Ministry of the Environment.

CN does not deny that there is still oil in the water; it is clear for everybody to see. I know that you have been there, and members of your ministry had been there originally, but you can throw a rock in the water and oil will come up. You can sit there on a warm day and you see oil in the water. You see dead fish in that water.

So I'm pleading with you, Minister: Do you understand the difference it makes for the people of Mattagami? They were promised that things would be brought back to where they were before. There was no oil in the water before. Now they're being told, "Oh, no, we only had to clean to within the Ministry of the Environment maximum allowable oil in the water."

The mixed emotions within Mattagami First Nation have gone from despair to dismay to now you see more and more anger, and in some people it is turning to rage.

I will stop there and open it up to you as to: Is there anything at all your ministry can do, in light of your mandate letter, in light of the reconciliations that we so desperately need, to pressure the Ministry of Environment and Climate Change to tell CN to continue cleaning? Is there anything at all your ministry can offer?

**Hon. David Zimmer:** Thank you for that question. The Mattagami River and the Gogama area up there is one of the pristine places in the province, among many other pristine places.

Shortly after the derailment, I and ministry officials went up there. We had a meeting with Chief Walter Naveau and his council. He and his council walked us through the various issues arising from the derailment. We were then taken on a site tour, led by Chief Naveau and officials from CNR. We walked the site; we did an extensive helicopter tour of the site. We then sat down with Chief Walter Naveau and CN and got into what the next steps were.

I can tell you that the safety and well-being of this community and all other communities is a high priority for our ministry. I know it's a very high priority for Minister Murray over at the Ministry of the Environment and Climate Change. Minister Murray is passionate about these environmental issues. When there is an occurrence and we're into remediation and cleanup, he follows these very closely and has made a very, very serious commitment to deal with these issues. As I say, MOECC has been overseeing the cleanup process and working with CN and Chief Walter Naveau.

Before the newly appointed assistant deputy minister Shawn Batise took on this recent role, he was up on the site, and he has some insight and information because he worked on some of these issues following the derailment and the spill. So I'm going to ask the assistant deputy minister—

**M<sup>me</sup> France Gélinas:** I don't mean to be impolite, Minister, but I know the ins and outs. It is in my riding; I am there all the time. I know that CN worked really hard last summer. I see that I have 12.5 minutes left, and I don't want those 12.5 minutes to be used to tell me what has been done, because we all know what has been done and we are grateful for the work that CN did last year.

My question is very specific. There is still oil in the water. Everybody agrees that there is still oil in the water. We were told they were going to clean it up so that it's brought back to what it was before. Now, a year later, a new benchmark has been set, and the new benchmark is "as long as it does not exceed the safe level within the Ministry of the Environment." That's not acceptable to the people of Mattagami. That's not acceptable to the people of Gogama. What they were promised is that it was going to be cleaned to what it was before. We are at an impasse. CN is saying, "We don't need to clean anymore because we are within the highest threshold that the Ministry of the Environment will accept." The people of Gogama and Mattagami are saying, "You promised us that you were going to clean it to what it was before." So I'm thankful for what was done in the past, but I'm asking you: What kind of help can you give the people of Mattagami and Gogama so that cleanup continues till it is back to what they were promised, which is back to where it was before?

**Hon. David Zimmer:** Well, I was trying to be helpful by giving you background as we understand it at the Ministry of Indigenous Relations and Reconciliation. But since you categorized your question as a very specific, detailed question about the details of the cleanup, then that question should be properly addressed to the Min-

istry of the Environment and Climate Change, which is, as I have said, working on the details of the cleanup.

If you want some background information that may be helpful to you, I can ask the assistant deputy minister to provide that background information. If you want specific, narrow, technical information, then address those questions to the Minister of the Environment and Climate Change. Which would you like?

**M<sup>me</sup> France Gélinas:** I'm not interested in technical information. I'm—

**Hon. David Zimmer:** Well, then—we don't have that technical information. The Ministry of the Environment does that, so go and ask the Minister of the Environment and Climate Change.

**M<sup>me</sup> France Gélinas:** It's not technical information I want. What I want from your ministry is, what can you offer to help Mattagami First Nation?

**Hon. David Zimmer:** I was about to offer that answer, and you cut me off and said you didn't want the answer; you wanted specific information. So I directed you to the specific ministry that's doing the specific cleanup. Tell me: Do you want that specific information? Go to the Ministry of the Environment and Climate Change. Do you want some background on our approach that we're taking at the Ministry of Indigenous Relations and Reconciliation—because we play a supportive role, but we are not the line technical ministry. Which would you like?

**M<sup>me</sup> France Gélinas:** I'd like to know the supporting role that you're playing.

**Hon. David Zimmer:** Okay. Assistant deputy minister Batise.

**Mr. Shawn Batise:** I'm Shawn Batise, assistant deputy minister for the Ministry of Indigenous Relations and Reconciliation, negotiations and reconciliation division.

As Minister Zimmer has said, in my previous job, I was present during this catastrophic event. There were actually two of them. Mattagami First Nation is one of the communities that is a member of the Wabun Tribal Council, of which I was the executive director and chairman.

0940

Just a bit of brief history: Minister Zimmer was in fact the first government official on site, which I think the chief very much appreciated; I know I did as the chairman of the tribal council. Deputy Minister Deborah Richardson was there as well. Their support, I think, was critical in bringing CN to bear on the problem and showed, from my perspective at the time, this government's seriousness in dealing with it and the minister's concern in dealing with the issue. It was on a weekend. I called the minister early that Saturday morning, and he was up there, I think, within 24 hours—certainly as soon as he could make the arrangements.

On a go-forward basis, CN, from my perspective, I agree: They said exactly what they were going to do. They put a bunch of money into cleaning up. Did they do a proper job? I'm not so sure. In my continued role at the

tribal council right up until July of this year, it continued to be an issue and continues to be an issue. From my perspective, as now an assistant deputy minister with indigenous relations and reconciliation along with our minister whom we have here, I think we will continue to support Mattagami in trying to move this forward.

It's a concern. I fully intend to continue to reach out to Chief Naveau, with whom I have a very good relationship, to figure out what we can do to make sure that this gets done.

**M<sup>me</sup> France Gélinas:** This gives me hope. Thank you for your answer, Deputy—much, much appreciated.

If you look at what your ministry can offer, is there any other hope you can give the local people that your ministry will continue to support them? What kind of support can they expect?

**Hon. David Zimmer:** I will endeavour to see what we can do for you on this issue. But just be assured—you've heard my answers and you've heard the answer from the assistant deputy minister—we are working very, very closely with Chief Naveau and his council. The assistant deputy is working very closely with him. The assistant deputy has previous relationships with the leadership there. Those relationships and that background is proving very helpful. I leave you with the thought that Minister Murray, the Premier and I are committed to working with Chief Walter Naveau to restore the pristine conditions that were there before this tragic event.

**M<sup>me</sup> France Gélinas:** That's very much appreciated. I can assure you that I will send that part of the transcript to everybody on the ground. They are desperate for help. Right now, they feel that they are in a battle of David and Goliath, and David very seldom wins.

The winter is coming again. The leaves have started to turn. We've had a couple of frosts. The lake will be frozen again and the river will be frozen again, and that's reason to do nothing. Can you give us any hope that action could be taken before the river freezes?

**Hon. David Zimmer:** That's again a very technical question—how you get it out of the river or what you do, and so on. I would have to invite you to address those questions to the Minister of the Environment and Climate Change.

What I can do with respect to the CN part of the involvement—of course, CN is regulated by the federal government. I will raise this issue with Minister Bennett because she may have some insights into how the federal government might interact with CN on this issue.

All parties want to restore the pristine conditions. The Premier does. She has a strong interest in the environment. I do. Minister Murray does. Everybody in my office does. Indeed, the federal Prime Minister and the various federal ministers are passionately interested in the environment. So we will do everything we can, and we will continue to work with Chief Walter Naveau and his council.

**The Chair (Ms. Cheri DiNovo):** Madame Gélinas, four and a half minutes.

**M<sup>me</sup> France Gélinas:** Thank you.

This is the part that we don't understand. We know the commitment of the Minister of the Environment to clean water, we know the commitment of the government and this entire assembly toward clean water, and yet—a promise was made to clean the water, and now the promise has been downgraded to bring the water back to the highest level of oil you can have in it and still be safe. You see the breakdown between the two. The standards have been substantially lowered from what they were promised was going to take place.

I don't want to be alarmist, but the level of rage growing, all of those mixed feelings, from being scared to being desperate—all of those feelings are going toward anger and rage and talk of civil disobedience. Whenever I go, there's a lineup of people who talk about civil disobedience because they feel that this is the only way that they will be heard.

I don't want to get there, but I know that if there's no action on the ground this fall, it will be really hard to hold those feelings back. The drums are running right now. You can hear them beat. Nothing good will come of that.

You have an opportunity to be proactive. I thank you for what you said. If you can commit to pressuring the Minister of the Environment to tell CN to continue cleaning, they will continue cleaning. It's as easy as that. But this is not being done.

We need your support. Mattagami needs your support. Everybody who cares about clean water needs your support.

**Hon. David Zimmer:** I've only got four and a half minutes, but am I going to get a chance to answer you or are you going to run the clock out with your speech?

**M<sup>me</sup> France Gélinas:** Go ahead.

**Hon. David Zimmer:** The Ministry of the Environment is following this and they sent me the following email: "The derailment cleanup remains a priority for the Ministry of the Environment." We are devoting "significant resources and attention in overseeing CN's response to this incident."

We are working to support "CN's ... resampling of the sediment in the river between the derailment site and the lake to assess whether there remain areas of contamination requiring attention. Under the Environmental Protection Act, CN is obligated to take the necessary steps to remediate the site."

"CN will submit the resampling information to the ministry for review as soon as the analysis and" the technical "interpretation of that data is complete."

"The ministry is currently assessing additional information that was collected by the ministry in early August in response to citizen concerns as well as information ... submitted by CN detailing their remedial efforts.... The ministry will take all information into consideration to determine what further actions may be needed of CN to continue remedial efforts...."

"The ministry will continue to oversee the cleanup work to make sure all impacts to the environment are assessed, mitigated and remediated."

**The Chair (Ms. Cheri DiNovo):** I'm afraid the time is up now.

We move to the government side. Mr. Potts.

*Interjection.*

**The Chair (Ms. Cheri DiNovo):** Sorry, we're moving to Mr. Potts at this time.

**Mr. Arthur Potts:** Thank you, Chair. Maybe I could ask the minister if he could finish his thought on that matter.

**Hon. David Zimmer:** Yes. Just let me add that the assistant deputy minister, Shawn Batise, on my left, and I will be meeting with Mattagami Chief Naveau and his council next week further to this issue. Thank you.

**Mr. Arthur Potts:** My pleasure. Thank you, Minister, and thank you, staff, for being here.

Chair, I wanted to address my remarks to our government's response to the recommendations of the Truth and Reconciliation Commission. As we all know, in late December 2015, the final report was issued and there were some 84 recommendations, almost a third of which were directly responsible to the province of Ontario—and the important work that that commission did in identifying the abuses and the personal tragedies of so many families and identifying and looking for a way that all of Canada could come to better understand the history and make that part of our understanding of the history of indigenous people in Canada, and in Ontario particularly.

Then we all sat in the Legislature in late May as the Premier formally apologized. That was an extraordinarily moving ceremony, I think all members of the Legislature would agree, with representatives of First Nations and Métis and Inuit there—a very moving experience.

0950

We released at that time a document, The Journey Together document. What's interesting for me is the wording of that: The Journey Together. It reminds me of Gulliver's Travels. I don't want in any way to make light of this, but I know the minister is extraordinarily well-read and I'm sure he's familiar with the book. One of the central themes in the book Gulliver's Travels is how important it is to travel to other places so that you better understand where you are from yourselves.

I had the opportunity this summer to go to Greenland as part of a group with Adventure Canada. We took a boat with 120 guests up the west coast of Greenland and stopped in small communities along the west coast of Greenland, across the Davis Strait and up into Ellesmere Island and Baffin Island, way above the Arctic Circle, where I had the pleasure of meeting numerous Inuit leaders.

A gentleman from Greenland, Jens Olsen, who was raised in residential schools in Greenland under the Danes' control, spoke so glowingly of his experience in residential schools that it took me aback, having participated and seen the experience and better understood the experience of First Nations, Inuit and Métis in our residential school system. Because of the nature of how they did it, he had loving families who took them in and allowed them to keep their culture and to help them get

an education and go to university, all parts where their culture was protected. It was fascinating to talk to him about his experience there.

I also met with an Inuit leader out of Iqaluit, Auju Peter. Auju is an extraordinary woman: Order of Canada, lawyer—Order of Canada for the great work she's done in advancing Inuit cultural issues in the high Arctic. We were on board this boat eating raw seal brain, seal heart and blubber, and participating in cultural ceremonies with her, which helped foster a very deep understanding within me of the challenges that that community faces.

I know that the report we have, The Journey Together, is trying to identify what we need to do, and I was hoping the minister could talk a bit about the numbers, the amount of money within your estimates associated with trying to respond to the specific recommendations of the Truth and Reconciliation Commission in order to try to bridge that gap, both in better understanding, but also in assisting in helping people better cope with the situations that they find. So I would like to put that broader question, but get some specific notions of what we are doing to respond to those recommendations.

**Hon. David Zimmer:** Thank you, Mr. Potts, and thank you for the reference to Gulliver's Travels. I urge everyone to read Jonathan Swift, the author.

This is the document that was issued last spring: The Journey Together. If anyone has not read it, you should read it. The document is Ontario's response to the Truth and Reconciliation report. As you know, there were 94 recommendations in the Truth and Reconciliation report. The Ontario government decided that we would take those 94 recommendations and break them out into themes—clusters of how we would respond. We came up with five themes that address Ontario's part of the Truth and Reconciliation report.

This report goes into detail. It identifies what those themes are, it goes into detail on what the thematic response is, and then puts a dollar figure to what we're going to spend on those themes.

The first theme is "Understanding the Legacy of Residential Schools." That covers some five pages in the report.

The second theme is "Closing Gaps and Removing Barriers." That goes into what we're going to do to lift up the economic well-being and opportunity of First Nations. That covers seven pages.

The third theme is "Creating a Culturally Relevant and Responsive Justice System." That deals with how we are going to work with changes within the justice system to address the Truth and Reconciliation aspects. That covers six pages.

The fourth theme is "Supporting Indigenous Culture." That deals with creating an awareness among non-indigenous peoples to recognize the value and the grandeur of indigenous culture and to help indigenous communities further develop and recover aspects of their lost culture.

The fifth theme is "Reconciling Relations with Indigenous Peoples." That's what we're going to do on an

ongoing basis: specifically address how we reconcile the differences, the tensions, some of the dark history on an ongoing basis. That covers some six pages.

Dealing with some of the amounts of money: On the first theme, we've got \$20 million over three years to address the legacy of residential schools. I can get further detail from the technical people here.

On the second theme, which is closing the gaps, we're committing \$150 million over three years to address these economic development challenges.

On the third theme, dealing with restorative justice, we are setting aside \$45 million over three years to address that. Of particular note, there is another \$200,000 for the expansion of what's known as the Gladue courts. For those of you who don't know what that is, I can speak to you after about that.

With respect to the fourth theme, which is "Supporting Indigenous Culture," we are committing \$30 million over the next three years to support indigenous culture.

On the last theme, "Reconciling Relations with Indigenous Peoples," we are committing about \$5 million over the next three years.

When you add up those totals, that's \$250 million in direct support to address the 94 recommendations of the Truth and Reconciliation Commission report. We've chosen to take, as I say, those 94 recommendations and group them into five themes, which I've outlined. I've told you what those themes are and I've told you the dollar amounts attached to them. If you would like some further detail about how those specific amounts are being allocated and spent, I can refer them to—if you will identify yourself for the record. Come up and sit up here. We want more detail. Esther is the numbers person. Introduce yourself for the record.

**Ms. Esther Laquer:** Good morning. My name is Esther Laquer. I'm the acting chief administrative officer for the ministry.

**Hon. David Zimmer:** If you have any questions about details of those global amounts that I've referred to, now is your chance.

**Mr. Arthur Potts:** Yes, actually, Minister, I would. I'd be very interested, particularly in the closing-the-gap portion of the investments and what particular kinds of steps we'll be able to do to assist indigenous people in helping them bring themselves up to standards that we'd all expect and would have thought they had but we now recognize that we need to do a lot more work with.

**Ms. Esther Laquer:** For the program-level details, I'm going to defer to Alison Pilla, the policy ADM for our ministry. She can absolutely speak to that better than I can.

Regarding the funding specifics, at this point in time the government is still confirming exactly how the funding that has been publicly committed is going to be allocated amongst the various programs in the ministry, so it wouldn't be appropriate to get into those specifics. As soon as they're available, I'm sure the minister and his staff would be happy to share those details.

Regarding progress on closing the gap, I'm going to turn it to Ms. Pilla.

**Mr. Arthur Potts:** Sure, and before we get there, it's the significant amount of money that has been allocated here that I think reflects the priority and the importance that the Premier and the minister and our government are putting on these issues. Just the fact of the change in your ministerial title is, again, symbolic. But it's important, and I think if we had more detail, that would be much appreciated.

1000

**Hon. David Zimmer:** Identify yourself for the record, and your responsibilities and so on.

**Ms. Alison Pilla:** Good morning. I'm Alison Pilla. I'm the assistant deputy minister for strategic policy and planning in the Ministry of Indigenous Relations and Reconciliation. All of that fits on my business card.

I think you asked for a little bit more detail about closing the gaps. I think Esther explained that ministries are currently working in various stages on a number of these initiatives. The government has made a number of commitments, and ministries are working with indigenous partners on developing a number of these programs.

In relation to the section on closing the gaps and removing the barriers: This is one of the Ministry of Indigenous Relations' big concerns as we work with other ministries. We work pretty closely with the Ministry of Health, the Ministry of Education, the Ministry of Advanced Education and Skills Development, the Ministry of Children and Youth Services and others when they're doing their policy and program work to ensure that they include policy and programming for indigenous people specifically, and remove barriers for indigenous people in their programming and policy work.

In addition to that, the response to the Truth and Reconciliation Commission is a great step forward in terms of adding programming for indigenous people in the province.

That particular initiative is looking at a number of different areas. The emphasis there is to improve social, economic and health outcomes for indigenous peoples. The allocation is up to \$150 million over three years. Some of the initiatives there include culturally based suicide prevention strategies for children and youth, and crisis intervention, as needed. This funding is under the Ontario Indigenous Children and Youth Strategy by our sister ministry, the Ministry of Children and Youth Services. It will really support holistic response and prevention teams that will focus on indigenous approaches to suicide prevention. I think we know that that's been an issue, particularly in some northern communities.

In addition, this element of the strategy is looking to work with remote high-needs indigenous communities to identify priorities for children, youth and families. There's a fair amount of youth and family focus in this section of the response. Since 2014, the Ministry of Children and Youth Services has been working with some community partners to develop programs that help indigenous children and youth. This will build on that.

**Mr. Arthur Potts:** Are we recognizing the importance of food security, the scarcity of nutritional food and

the expense associated with food as part of that? The health outcomes associated with poor eating and poor access to food are obviously very, very significant.

**Ms. Alison Pilla:** Yes. I think that food security, which is access to reliable, nutritious food at a reasonable cost, is a big issue for many people in the province, but particularly for indigenous people. It's a particular challenge in the north, as many would know. The cost of food in the north, in the northern stores, is an issue. The federal government has a number of programs. I think there is some view that those programs could work better than they do now. The cost of transportation, of course, in the north is a barrier sometimes to access to reasonable-cost nutritious food.

There's a recognition in this government that food security is something that we need to—working with our federal counterparts, at least in the on-reserve setting—think about. There have been a number of initiatives to start to address that. There's a Student Nutrition Program that the Ministry of Children and Youth Services runs. That is available on-reserve as well as off-reserve for kids who are in school. That was expanded a number of years ago.

Food security is important, but it also can be impacted by a number of different factors. I think that the government is also looking at ways of dealing with economic development, as was mentioned earlier as an opportunity, maybe, to ensure that people have the wherewithal to be able to purchase foods that are nutritious. So we have an economic development strategy in the Ministry of Indigenous Relations and Reconciliation, including an Aboriginal Economic Development Fund, that helps support economic development.

We've been working with our colleagues in OMAFRA as well about some opportunities that there may be on the agriculture side. There is some support in various communities for local greenhouse initiatives and so on. I think it's a fair point.

**Mr. Arthur Potts:** I know that Mr. Miller was asking about housing issues. My good friend Adam Vaughan talks at length about the connection between housing and mental illness, housing and suicide, housing and instability, and the cost associated with getting structure materials into the north, and whether the housing we're building is appropriate for the north.

I know that my friend Bill Lishman—Father Goose, the man who trained geese to fly behind his ultralight—has developed a 150-person linear apartment building for the north, which is material made out of concrete. We have much aggregate up there, and all you're bringing in is cement. It becomes almost like a communal-living longhouse concept, living with sustainable energy—wind and solar opportunities.

Looking for new opportunities, is there a piece in the housing component that we could talk to on closing the gap?

**The Chair (Ms. Cheri DiNovo):** Mr. Potts, you have just under three minutes left.

**Hon. David Zimmer:** Thank you, Mr. Potts, for that question. I think I largely addressed those in my answers

to Mr. Miller when we had the back-and-forth discussion on the importance of housing issues and the importance of housing on-reserve, which is a federal responsibility, but we as a provincial government work with and apply subtle forms of pressure to the feds to get on with it. But you're right: The living environment, the social context of a housing environment, is so important to the well-being of the family, the parents, and the children. If one doesn't have adequate housing, safe housing and reasonably comfortable housing—a room where you can sit quietly and read a book; where a family can enjoy life together in a comfortable circumstance—that creates pressures on the parents and it creates pressures on the children. That's not good.

I'd like to take a minute because I think we're probably getting to the end of our time. With respect to the document *The Journey Together*, you will recall that the Premier spoke and several indigenous leaders spoke, and there was a survivor of the residential school system who spoke. We were there. His name was Andrew Wesley. I think it fitting to close on what he said on the floor of the Legislature. He said, "Us survivors, we've been to the top of the mountain. On top of the mountain, we were given new fire to talk about our hurts, our pain, our struggle.... We were instructed to be strong. We were instructed not to be ashamed. We were instructed not to be afraid to talk about dehumanization. We were not afraid to talk about the traumatization of our spirits.

"We came down from that mountain, and we're telling you the truth of what happened. We're telling you the truth because we're tired of being hurt. We want to travel with the rest of you in a good way. From that mountain, we gained the strength we needed.

"Many of us went to the various TRC hearings to be able to tell our story, not to be afraid to cry the way we cried when we were abused like little kids, not to be afraid to cry as an adult and as a grandfather."

**The Chair (Ms. Cheri DiNovo):** Minister, your time is up now.

We now move to Mr. Miller.

**Mr. Norm Miller:** I'm going to follow up on the cost of food that was being discussed. I saw a recent article in the *Globe and Mail* with the headline, "Northern Ontario Aboriginal People Spend More than 50% of Income on Food, Report Finds." It goes on to say:

"First Nations families in northern Ontario are spending more than half their income on groceries to meet basic nutritional requirements, according to a new report...."

"The average monthly cost for a family of four to purchase the list of items in the northern communities, according to the researchers, is just less than \$1,800. In Toronto, meanwhile, those same items would cost about \$850 a month."

It goes on to talk about what the federal government is doing. "The federal government's attempts to address the issue, through a subsidy program called Nutrition North Canada, have been widely criticized as ineffective—including a 2014 Auditor General's report that raised

doubts on whether subsidies given to retailers were being properly passed on to consumers."

**1010**

Obviously, I was talking about housing before. Food is pretty basic to survival, to having any hope in life of being able to go on and be concerned about lots of other things. What role is the province playing in trying to bring about more food security for our indigenous communities?

**Hon. David Zimmer:** Thank you for that question. That's a particularly poignant issue that you've raised. Let me tell you via personal experience how this issue was driven home to me in a way that haunted me for some time thereafter. Even today, when I reflect back on the shock of that, it just makes my hair stand up.

After I was sworn in as the minister, shortly thereafter—within a matter of a week or so—I visited a remote First Nation. For those of you that haven't been to a remote First Nation, there is something in the community called the government store or sometimes the Northern store. That's a hardware store and grocery store and general store. That's the only store.

To give me an idea, the chief who took me on the tour asked me for one of my favourite foods in the south. I said it was X. He said, "All right, now we're going to walk through the store and we're going to find that food, if it's here."

It was there. "What do you pay for it down in the south?" I said, "It's around \$6 a unit." You look at the price tag on this thing: It was three times as much. It was \$17 or \$18 a unit for the same amount of food.

Part two of it is that almost everyone, if not everyone, in that community was at or below the poverty line. Yet their cost of food was two and three times—more likely three times—what it costs in the south. I imagined to myself that people on the poverty line in southern Ontario are struggling to pay \$6 a unit. How on earth do they deal with it in the Far North, where people at that same poverty income level are paying double and triple for the same unit of food?

That question has been in my mind for the last three and a half—close to four—years now. I can tell you that when I visit remote and other northern communities, I try very often to take someone with me—Ms. Thompson from your party has been with me. Sarah Thompson?

**M<sup>me</sup> France Gélinas:** Campbell.

**Hon. David Zimmer:** Sorry. Sarah Campbell has been with me. I've taken civil servants from other ministries who have never been to a northern community, and I've taken other people because, a picture is worth a thousand words, or seeing is believing. I now adopt that as a part of my tour. If I have someone with me on the plane who has never been, I go into the Northern store. "Pick out your favourite food. What does it cost in the south? We'll see if we can find it in the store. Look at the cost of it." In every case, when the person sees the price tag on the food, you can almost hear a pin drop. Then they start to connect the dots. How do people survive?

I just say that because it underscores the importance of the issue to me personally, to the Premier—I've been

with her on First Nation visits. She, of course, went many times herself when she was the Minister of Aboriginal Affairs. I can tell you that everyone in the ministry, from the deputy minister right down the line, is aware of this difficult, difficult issue that needs to be addressed.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. That concludes our time.

Madame Gélinas, you had a point that you wanted to raise?

**M<sup>me</sup> France Gélinas:** I would like a couple of copies of those nifty little books.

**Hon. David Zimmer:** These?

**M<sup>me</sup> France Gélinas:** Yes.

**Interjection:** En français?

**M<sup>me</sup> France Gélinas:** Both.

**The Chair (Ms. Cheri DiNovo):** Would the rest of the committee like one as well?

**Mr. Norm Miller:** Yes.

**The Chair (Ms. Cheri DiNovo):** I would ask the minister to provide—

**Hon. David Zimmer:** Okay. I'm going to ask Blair to make sure that everybody gets copies en français and in English. Would you like this one too? You might as well have this one, Walking Together.

**M<sup>me</sup> France Gélinas:** You circulated this before.

**Hon. David Zimmer:** This one? I did? Okay.

**The Chair (Ms. Cheri DiNovo):** Thank you very much. This committee stands recessed until 3:45 this afternoon.

*The committee recessed from 1015 to 1555.*

**The Chair (Ms. Cheri DiNovo):** Good afternoon. We are now going to resume consideration of vote 2001 of the estimates of the Ministry of Aboriginal Affairs. There is a total of seven hours and 47 minutes remaining. When the committee recessed this morning, the official opposition had 14 minutes left in their round of questions.

Mr. Miller, the floor is yours.

**Mr. Norm Miller:** I guess I'll keep going. This morning, when I asked a question with regard to the cost of food for northern First Nations and indigenous people, I was quoting a recent article noting that northern Ontario aboriginal people spend more than 50% of their income on food. And you, Minister, had talked at length that you recognized this as a problem and talked about your experience in remote communities of going into the Northern store and the sticker shock of looking at the price of things in the Northern store. I've done the same when I've visited places like Attawapiskat and, out of Ontario, Iqaluit. I as well noted that. In fact, I guess that big tour boat that was just up in Iqaluit—that seemed to be one of the things for folks in the tour boat, going into the food store to see the prices of various items. So you certainly have demonstrated that you recognize that it's a challenge for these communities—that 50% of their income is being used to pay for food.

I guess the next follow-up is: What is the solution to this challenge? If you want to talk about what possible solutions—if there are solutions—that you see and what role the provincial government might play in trying to

come up with possible solutions, that would be appreciated.

**Hon. David Zimmer:** Thank you for that question. As you've said, you were hit with the sticker shock, to use your expression, as was I. When you go there and you go into the Northern store and check the price of things in the Northern store, knowing what you'd pay for them here in the GTA, sticker shock is putting it mildly. It's an enormous challenge for families to just put food on the table, especially when you consider their incomes.

Ontario does have a number of programs and initiatives that are focusing on healthy eating strategies in First Nations communities. What I'd like to do is just walk you through a few of them so you get the sense of what we're trying to do. We have something called the Student Nutrition Program, which provides healthy meals to children in schools across the province, but it includes over 120 educational settings in First Nation communities. That's a pretty good number when you keep in mind that we have 130 First Nation communities in Ontario—that is, 130 that have a land mass; there are three First Nations that don't have a land mass. So we do have the Student Nutrition Program in 120 educational settings in First Nation communities. That does give children access to a healthy diet, and more importantly, a part of the nutrition program is it supports learning, development and healthy attitudes towards healthy foods and everything that that entails.

We also have another program called the Northern Fruit and Vegetable Program. I can tell you that it has provided over two millions servings of fresh fruit and vegetables to 36,000 students, including just under 7,000 indigenous students in 192 schools scattered throughout the north: Porcupine, Algoma, Sudbury regions.

**Mr. Norm Miller:** Do you mind talking a bit more about that, the Northern Fruit and Vegetable Program, and how that works? Can you expand a bit on that Northern Fruit and Vegetable Program?

**Hon. David Zimmer:** The detail of how that actually—

**Mr. Norm Miller:** Yes, the detail of how it works. And does that affect the remote fly-in communities as well?

1600

**Hon. David Zimmer:** For the really close details on that program, I'd have to refer you to the Ministry of Health. We coordinate with them, but they in fact provide the delivery, if you will.

**Mr. Norm Miller:** So just in general then, is it in place for the fly-in communities as well as the northern communities, and is it a subsidy on the cost of it or how does it work?

**Hon. David Zimmer:** We've got something, in addition to that, called the First Nations Health Action Plan. That's operated by the Ministry of Health and Long-Term Care. They are, I know, expanding access to the Northern Fruit and Vegetable Program to a little over 13,000 more indigenous children in the northern com-

munities and—to your question—in the remote communities. By that, I take it to mean the fly-in communities.

In terms of the details of how the program is actually administered on a day-to-day basis, I'd have to get that information from the Ministry of Health, but it is available.

So those are three programs.

**Mr. Norm Miller:** So if I may, to the Chair, if I could get the information on how that works, I'd be interested to know just the nuts and bolts of how it does actually work, what sort of price, whether it's a subsidy or just how it works.

**Hon. David Zimmer:** I'll endeavour to do what I can on that with my colleagues at the Ministry of Health. I thought perhaps someone here might have the technical answers, but I have to go over to the Ministry of Health and I'll endeavour to do what I can there.

**Mr. Norm Miller:** Okay. Thanks.

**Hon. David Zimmer:** We have a fourth program--and when I say "we," I mean the government.

**Mr. Norm Miller:** Yes.

**Hon. David Zimmer:** The healthy eating and active living program enables 10 aboriginal health access centres to provide culturally appropriate health promotion and—this is very important—chronic disease prevention initiatives to indigenous communities, both on-reserve and off-reserve. That's done in schools and community organizations. They work very closely in the areas of nutrition, healthy eating and physical activity.

The fifth program is the Healthy Kids Community Challenge. That supports 45 communities in Ontario. It specifically includes six indigenous communities. It provides resources to support programs, activities and policies that will promote children's health by focusing on healthy eating and active living.

As a government, we are aware of the connection between diet and health, and we're trying to get the right messages out there, the right skill sets to deal with diet and to see the connection with health. We have the challenge, then, of affordable food, if you will, which we talked about earlier this morning and this afternoon.

**The Chair (Ms. Cheri DiNovo):** Mr. Miller, you have just four or five minutes.

**Mr. Norm Miller:** Okay. Are there any other things being considered, like for example—and I don't know whether these are even plausible, but like greenhouses in the north, for example. I'm sure, for the remote fly-in communities, just the weight and the fact that you have to fly everything in is a huge cost. That's why the food is so expensive. Or things, for example, like dehydrated food, which is much lighter, so I would think the transportation costs would be substantially reduced. Do you know whether any of those types of things are considered?

**Hon. David Zimmer:** Yes. Over the past couple of years, since I've been the minister, I've had a couple of initiatives presented to me at the office, which the deputy and I and the relevant assistant deputy ministers and other technical people attend. I recall one proposal that was very interesting, where someone has developed

portable greenhouses which you actually see in Toronto, I understand, on the balconies of condominium high-rises and condominium apartments. I saw the greenhouse; it's sort of the size of a small chesterfield, and it's operated with water and seeds and so forth. The point is, you can grow fresh tomatoes and carrots, vegetables and all that, and the idea was to pilot or test that in First Nation communities.

There were a number of similar ideas that have been presented to us. There are really some innovative ideas going on out there about how to grow and maintain First Nations' own sources of fresh vegetables, fruits and so on.

The dehydrated one—I see what you mean by that. I've not specifically heard of that—

**Mr. Norm Miller:** It's just coming from my camping trips, where I dehydrate my own food.

**Hon. David Zimmer:** And your pilot days. I know you're a pilot, so you know the factor of weight, flying to the north.

I said earlier a few times that I've been to 83 First Nations and I've been to most remote fly-ins. Whenever we go up—sometimes we'll charter directly from Toronto; sometimes we fly commercially to Thunder Bay or Sudbury and then charter, and the charters are these small six- or eight-seater planes. We always try to take a couple of the seats out of the back of the plane and fill it up with boxes of fresh fruit—oranges and apples. You have no idea—when the plane lands and we load those into the back of a truck, the word gets out just like that into the community among the kids that a plane has arrived with fresh fruit, there's just a rush and we pass it out.

**Mr. Norm Miller:** I note from this article that started me thinking about this line of questioning, which says, “Our primary recommendation when it comes to food insecurity is to increase income.” I'll come back to that on the next round of questioning because I assume I'm pretty much out of time.

**The Chair (Ms. Cheri DiNovo):** Two minutes.

**Mr. Norm Miller:** Oh, I have two minutes. Okay.

Again on the food topic, one of the real problems with not eating healthy food, or buying cheaper out of necessity because 50% of your income is going to food, is you're not buying fresh vegetables because they're too expensive. I think that probably contributes to the huge problem of diabetes, for example, in many of the communities. Solving the food problem will probably go a long way toward helping with some of the chronic diseases.

Can you talk a bit about what the government is doing with chronic diseases and specifically diabetes in indigenous communities?

**Hon. David Zimmer:** I can answer the first part of your question in a general way, but on the last part of your question, where you specifically asked about the diabetes piece, again, that's a Ministry of Health issue. I'm not ducking that, but Dr. Hoskins has got the technical details on how he's responding to the diabetes epidemic.

You're quite correct: Diabetes is an epidemic in the north. I will tell you another anecdote or story that will drive it home. On one of my visits in the remotes, we took someone along with us—

**The Chair (Ms. Cheri DiNovo):** I'm afraid you're going to have to hold that thought and that story, Minister.

**Hon. David Zimmer:** It's a good story.

**The Chair (Ms. Cheri DiNovo):** Well, maybe you'll have a chance when it gets to the government side.

We're now moving to the third party. Madame Gélinas.

**Mme France Gélinas:** Thank you. I would like a little bit of clarification on the hydro share announcement specifically for First Nations.

There were two thresholds announced in the announcement. The first one was a threshold specified in the announcement of 15 million shares available to First Nations in Ontario, depending on First Nation participation. That participation is set at 80% of all Ontario First Nations by the end of 2017 in order for the agreement to close.

**1610**

My first question is, what happens if we have 72%, not 80%?

**Hon. David Zimmer:** On Hydro One, the financing of it, the mechanics, the percentages and who qualifies and all of that sort of stuff, I do have to direct it to the Minister of Energy, Mr. Thibeault, who's got the answers there. But just by way of a general background to the question, the question is, why did we agree to sell shares of Hydro One to First Nations and how will the shares be sold at a discounted price?

For the actual details of it, you'll have to speak to the Minister of Energy. But having said that, I can tell you that the signing of the political accord between Ontario and the Chiefs of Ontario was a demonstration of our shared commitment to work together to address common priorities and issues as we move down the path of reconciliation—closing the gaps and so on. I talked about that this morning.

I am pleased to say that the Chiefs of Ontario and the Ministry of Energy were able to arrive at an agreement in principle, and it was in response to the First Nations' request for an equity position in the broadening of the ownership of Hydro One. The agreement in principle reflects Ontario's very strong commitment to supporting indigenous communities to shape their own economic future. That's very important: to shape their own economic future.

If ratified—so the arrangements are out there and are out for ratification by the Chiefs of Ontario, by their First Nations. I think that ratification is—

**Mme France Gélinas:** End of 2017.

**Hon. David Zimmer:** Yes. So that ratification issue is out there by the First Nations. But if it is ratified, the new agreement will provide meaningful opportunities—really meaningful opportunities—for First Nation communities for economic development and wealth creation.

Then the other part of your question is, why were the shares sold at a discounted price? I understand from the Ministry of Energy and others that the province and the chiefs committee on energy—so there is a provincial committee and a chiefs committee on energy—are engaged in ongoing discussion towards agreement. But I think it's important to let the negotiating parties work out the best solution. For any more details, I'd have to refer to the Minister of Energy.

**M<sup>me</sup> France Gélinas:** Okay. Just at a very high level: So 80% of First Nations sign on, they get the 15 million shares at a discounted rate, and the revenue from those shares—it would then be up to them to generate economic opportunity? Where does the economic opportunity you talk about come in?

**Hon. David Zimmer:** Well, again, I'm going to direct that to the Minister of Energy. But having said that, having a significant equity position can only be beneficial to the First Nations. Shares throw off income. Income is revenue. Revenue is good.

**M<sup>me</sup> France Gélinas:** Okay, I follow this. It's quite clear, concise and easy to understand. Has anybody quantified for them? The chiefs are trying to sell this to First Nations. Some First Nations are not that open to the idea, but if you can tell them, "Here's how much money"—has any quantification at all been done for them?

**Hon. David Zimmer:** Well, this is quite specific. The province and the chiefs committee on energy are working at that level of details. So the question would have to await the outcomes of their negotiations.

**M<sup>me</sup> France Gélinas:** Okay. So if 80% of the First Nations—that was one of your thresholds—sign on, do all of them get to benefit?

**Hon. David Zimmer:** Well, again, that's a matter for the chiefs committee on energy. They're going to decide what they are going to do with their revenues that are generated by that.

**M<sup>me</sup> France Gélinas:** Is this a mutual decision between the government and the chiefs, or is this a decision solely for the chiefs to make?

**Hon. David Zimmer:** That one, you'll have to ask the Minister of Energy.

**M<sup>me</sup> France Gélinas:** Okay. So you made this announcement that this was going to be a significant lever. What was the role of your ministry in this announcement, if any?

**Hon. David Zimmer:** We are a coordinating ministry. We put the parties together and suggest how they might approach each other, sit down and get to a good result. But, at the end of the day, we leave it to the chiefs committee on energy, the Minister of Energy and the technical people to work out those arrangements.

**M<sup>me</sup> France Gélinas:** Do you see this particular endeavour as a major effort from your ministry or is it one of many?

**Hon. David Zimmer:** From the government or from my ministry?

**M<sup>me</sup> France Gélinas:** From your ministry.

**Hon. David Zimmer:** We have a number of ways in which we work with the various ministries, whether it's health, mines, forestry or energy. All of the things that we work on are important. This is an important initiative, this Hydro One arrangement with the First Nations, and we're very proud of our role in it.

**M<sup>me</sup> France Gélinas:** All right. Are there any other revenue-sharing arrangements that your ministry is working on in the future, or was this just a one-off?

**Hon. David Zimmer:** Well, as I referred to this morning, one of the five themes in Ontario's response to the truth and reconciliation report—and that's at page 21 of the report—is titled "Closing Gaps and Removing Barriers." If you read through that, you will see that there are a number of initiatives there.

The title, "Closing Gaps ..."—there is a gap between the First Nations economic well-being and the economic well-being of people living in the south. The broad policy, as the title of the section says, is to close those gaps. In the process of closing the gaps, if we come across barriers to economic development by First Nations in Ontario, we work very hard with First Nations to remove those barriers—and work with the private sector, government and so on.

**M<sup>me</sup> France Gélinas:** Okay. So this Hydro One selling of shares is a revenue-sharing agreement between the government and the First Nations. I understand that it is within the broad context of closing the gap, but are there other revenue-sharing agreements?

**Hon. David Zimmer:** Let me tell you about another initiative, and that's the gaming revenue-sharing. You've heard of the gaming revenue; it's what we refer to as casinos. Your question might well be, "What's the status of the gaming revenue-sharing agreement between the province and the Ontario First Nation Ltd. Partnership?" That's the First Nations entity that we deal with on the gaming revenue. I can tell you that gaming revenue-sharing agreements have really helped to build some strong relationships with First Nations partners. It has provided stable and long-term funding to improve the quality of life for First Nations. Specifically, the Gaming Revenue Sharing and Financial Agreement—that's the formal title—will provide more than \$3 billion over the next 25 years to First Nations in Ontario. The proposed modernization of lottery and gaming is expected to increase those revenues. That modernization process is under way now.

1620

In accordance to the Gaming Revenue Sharing and Financial Agreement, First Nations receive 1.7% of OLG's aggregate gross revenues. As overall revenues increase, First Nation communities will receive increased financial benefit. We work closely with First Nations to get them in contact with OLG to discuss these issues and concerns related to the OLG modernization process.

Oh, and I can tell you something about our tobacco revenue-sharing. This is a really important issue that I want to address and that you've raised in your question.

First Nations have always asserted that they have a long-standing right to trade in tobacco. Over the years,

robust tobacco economies have developed on some reserves. First Nations need to be able to continue to support their communities in an economic, sustainable way.

A number of First Nation leaders have made it very clear that, in order for progress to be made on tobacco issues, Ontario must support the economic diversification of tobacco economies on reserves toward a more sustainable future for their community.

For example, there are two pilot projects on the tobacco issue. One is with the Mohawk of Akwesasne—that's near the Cornwall area—and the other is with the Chippewas of the Thames First Nation, which is near London, Ontario. We are working with First Nation communities to identify strategies for using revenue-sharing agreements to expand economic opportunities beyond just tobacco. This will help to increase local business activity and employment in a variety of industries and will contribute to a more sustainable future for communities.

We are really committed to working with First Nation governments to support diversification—that's key—and sustainable First Nation economies. If we can help to diversify the economies and create stability in economies, that is going to contribute to closing the socio-economic gap, which is referred to in this report as one of our themes of reconciliation with indigenous and non-indigenous peoples.

Moreover, tobacco revenue-sharing would be linked to the implementation of a First Nation tobacco regulatory regime, pricing on- and off-reserve, and associated compliance and enforcement by those regimes by First Nation revenue-sharing, which would help to offset the assumed economic losses by First Nation communities who participate in these enforcement and compliance efforts.

**The Chair (Ms. Cheri DiNovo):** Madame Gélinas, you have just about five minutes.

**Hon. David Zimmer:** Our government has made it a priority to engage First Nations in discussing changes that must be made to improve the quality of life on-reserve. First Nation communities are facing a number of socio-economic and structural challenges. I've referred to those, but those two examples—you have three now: You have the Hydro One; you have the gaming piece; and you have the—

**Mme France Gélinas:** Tobacco.

**Hon. David Zimmer:** The tobacco piece. We are really working with First Nations on these issues.

I just want to say something, while we're on this subject, about resource benefit and resource revenue-sharing opportunities. In Ontario, we are engaging with indigenous partners on approaches to close these gaps and to enhance First Nation participation in the resource sector.

How do we do that? Well, we improve the way that resource benefits are shared—I emphasize “shared”—with indigenous communities. This work will consider how to advance resource-benefit-sharing opportunities,

particularly resource benefit sharing in the forestry and the mining sectors. So there's another one.

Also, MIRR—the Ministry of Indigenous Relations and Reconciliation—is working very closely with the Ministries of Natural Resources and Forestry and Northern Development and Mines to begin exploratory discussions with First Nations. We are continuing those discussions with indigenous partners throughout the fall of 2016, as we sit here.

**Mme France Gélinas:** Okay. If we come back to the original revenue-sharing in my comments that have to do with Hydro One, those revenues will be for all of the others that you've talked about: for gaming, for tobacco. First Nations get those revenues, and they are in sole control as to how they use those revenues. Is the intention of the revenue-sharing agreement, that Hydro One shares the revenue—has it been decided that it will be the same way, that First Nations will get to decide how they spend it?

**Hon. David Zimmer:** That is being thought through as we speak, but one of the key players here is, as I said, the chiefs committee. That is in discussions with the province about how the benefits that flow from this hydro agreement are going to play out in the broader community.

**Mme France Gélinas:** First Nations are looking at tobacco revenue. There are also laws that are about to change regarding marijuana: Are there any tables that look at First Nations growing, packaging, distributing or selling marijuana through their existing tobacco channels?

**Hon. David Zimmer:** We have those two pilot projects I referred to—Akwesasne and Chippewas of the Thames—which are dealing with traditional tobacco, if I can use that expression. The issue of medical marijuana is elsewhere—down the road.

**Mme France Gélinas:** Does your ministry have any working tables, any knowledge, any involvement with First Nations who are interested in not only the medical marijuana but the recreational?

**Hon. David Zimmer:** No. There's a lot of chatter out there in the media about medical marijuana, whether it's in Toronto or in First Nations. People have different views of the medical marijuana issue, and it's premature to comment on the marijuana piece.

**Mme France Gélinas:** So your ministry has no involvement with any First Nations when it comes to those possible economic opportunities?

**Hon. David Zimmer:** I said that it's premature to talk about the medical marijuana issue.

**Mme France Gélinas:** What if a First Nation is interested in talking about it?

**Hon. David Zimmer:** It's premature to speculate on—

**Mme France Gélinas:** They're not going to talk to you, obviously. I think I got my answer.

We have the revenue-sharing that is going to be coming down. Your ministry has facilitated the Ministry of Environment and the First Nations to sit down, and

this is where you disappear. The rest of it is all through the Ministry of Energy to figure out who will be included; where the money will go; how it will be done; what if we don't reach 80%; what if some First Nations that are off the grid right now sign off—are they going to be able to sign in if the electrification ever happens and they come in? None of this your ministry is involved with and all of this I ask of the Ministry of Energy.

**Hon. David Zimmer:** Yes. I can tell you—I expect you know—

**The Chair (Ms. Cheri DiNovo):** I'm afraid you are out of—

**Hon. David Zimmer:** —that the Ministry of Energy is next up at the estimates committee.

**The Chair (Ms. Cheri DiNovo):** There we go. We're over to the government side. Mr. Dong.

**Mr. Han Dong:** A very interesting topic, Minister. I've been paying attention to the conversation going back and forth between you and the members of the committee.

**1630**

I want to talk about economic development. Minister, I understand that there is the need for economic development in indigenous communities and for indigenous people. It has been a very important issue and one of the priorities for our government. Indigenous people in Ontario continue to face significant economic disadvantages and are less likely to finish school or have a job. And that's in the context of our government's efforts in creating jobs and encouraging business development across the province.

Major barriers include lack of community-level capacity, limited access to financing and few skills training opportunities. The unemployment rate for First Nations people between the ages of 25 and 64 is approximately three times the Ontario average on-reserve and twice the Ontario average off-reserve, according to the StatsCan's 2011 National Household Survey.

In addition to having a higher unemployment rate than the nonaboriginal population, the aboriginal population in Ontario also has a lower labour force participation rate at 71% as compared to 80% for the nonaboriginal population.

At the same time, there are significant opportunities for economic development with a young and growing indigenous population. This is a sentiment shared by Ontario Regional Chief Isadore Day, who, in an editorial published by the Globe and Mail in January, argued that indigenous businesses can thrive if they are provided with the right incentives. I'll read you a quote from the editorial:

"As the regional chief of Ontario, I realize that meeting basic human rights such as clean water, health and education is just the beginning of a long journey towards securing our rightful place in Canada. Quality of life investments are critical and long overdue. However, economic investments must also be a top priority. Once our peoples are able to overcome poverty and despair, we must focus on building healthy, prosperous communities.

First Nations must work with the business sector and all levels of government in order to fully participate in the Canadian economy....

"So when we talk about the aboriginal community and aboriginal-owned businesses, there are a lot of ways to support them. Provide the right incentives to take risks, leverage investments with tax credits or provide grants. However, providing the incentives for procurement contracts to promote aboriginal-owned businesses is good for the economy, good for jobs and good for all small businesses, particularly aboriginal-owned businesses.

"By working together—First Nations, governments, business and industry—we will build a strong, prosperous Canada for all."

I agree with that and I think that's very well said. I understand that there are a number of ways that our government is ready to work with aboriginal partners to see meaningful employment and business development for indigenous people across sectors, especially in the natural resources sector.

Being the PA of advanced education and skills development, I actually had the pleasure of meeting representatives from Resolute Forest, for example. They came forward and talked about their model in providing training opportunities and really harnessing the talents that they see in the indigenous community. I think this is very, very important, and it's right up my alley as well.

Our government has committed substantial resources to mainstream services and programs that support economic development. Our government is moving forward on many fronts to creating initiatives to support business growth and economic development opportunities, and jobs and skills for Ontarians, including indigenous people.

I recall a few years ago our government introducing a new Aboriginal Economic Development Fund to address some of the key barriers to economic development for indigenous communities, including access to financing and skills training. This is a program that is still going on. I saw that you were in the Georgian Bay area earlier this summer to announce funding through the Aboriginal Economic Development Fund for some of the communities there.

My question to you, Minister, and I think it's a very important one, is: How has this Aboriginal Economic Development Fund and other initiatives helped to support economic development for indigenous people and their communities?

**Hon. David Zimmer:** That is a very good question, because the Aboriginal Economic Development Fund is an initiative that we are very, very proud of. I've spoken about the fund on many occasions, to many groups, both First Nations and non-First-Nations, and at economic development conferences and so on.

Let me tell you about the fund. We are moving forward on a number of these fronts to improve economic opportunities, and to promote economic sustainability for First Nation communities. We have a number of initiatives that aim to do the following: increase First Nations

and Métis communities' participation in mining, forestry, green energy and other areas.

Despite the government's efforts to support economic development through mainstream programs and services, indigenous people continue to face some very significant economic disadvantages. Those disadvantages, or the major barriers, include—and I come back to the reference in this report about removing the barriers.

One of the barriers is a lack of community-level capacity to actually take advantage of an economic opportunity; that is, there may be opportunity there, but the First Nation needs the capacity to deal with that opportunity.

Lack of access to capital is a huge issue—lack of access to capital and equity to participate in an economic opportunity. There may be an opportunity there, but if you haven't got the capital or the equity to be a player, it's hard, if not impossible, to get into the game.

The third barrier that we see is a lack of skills training opportunities, particularly on-reserve, and particularly in remote communities; that is, to get the technical skills to operate the machinery. So you need those technical skills, you need access to capital and equity, and you need the capacity to deal with some of these complex economic development opportunities.

So what do we do about that? To help address some of these key barriers to economic and skills development, the 2014 budget introduced a new—here it comes—Aboriginal Economic Development Fund. We refer to it as the AEDF. We put \$25 million into that over three years. The fund is continuing for another seven years, starting in 2017-18, with an additional investment of \$70 million. So that brings that AEDF, the Aboriginal Economic Development Fund, up to \$95 million.

Here's how it has played out—this is as of August 2016. As of August 2016, AEDF funding has been approved for some 36 projects through AEDF economic diversification grants. Those grants support communities in broadening—and that's a key word here, broadening—their economic base through planning and other activities. There are 11 projects through the AEDF regional partnership grants, which support regional or province-wide projects that improve access to skills training and financing.

#### 1640

Interestingly enough, and importantly enough, these projects also tie into or contribute to Ontario's Poverty Reduction Strategy. What's the link there? Well, increasing the success and competitiveness of aboriginal-owned businesses and the viability of community-owned projects by improving their access to funding—that's the capital and the equity access point that I made earlier.

By supporting economic diversification planning and implementation of economic development plans at the community level, allowing communities to identify new and emerging areas of economic and employment opportunity—that's a very important piece about the diversification. There are opportunities for First Nations that require them to move to another type or another

substance of economic development, so diversification is a big piece.

The third piece where it ties into the Poverty Reduction Strategy: Improving access to skills training for the First Nation member on the ground, so to speak, will lead to provincially recognized qualifications—and that's a huge issue—for First Nation people, especially those living on-reserve. It's very, very difficult to get those technical qualifications, whether it's plumbing or metalwork or what have you. That skills development is a way that those with skills can lift themselves out of poverty, assuming that there is an economy that they can contribute to, which goes back and ties this in with the access to capital and the skills training and the capacity. There's kind of a gestalt here. The sum of the parts is equal to any of the individual parts of this exercise.

As a part of the AEDF, Ontario is also providing \$15 million over three years to six, and this is the term, aboriginal financial institutions—we refer to those institutions as AFIs—through the AEDF Business and Community Fund stream. That will enhance business support services and provide grants and financing to promising, interesting and likely-to-be-successful First Nation projects, as well as providing start-up and early-stage help in expanding those indigenous businesses in their start-up or formative years.

I can tell you that, in June 2015, the Ontario government announced the launch of an indigenous procurement program—this is important. That builds on the lessons learned from a two-year pilot project. The program encourages ministries across the board to buy from indigenous vendors when procurement opportunities have a benefit or impact on indigenous peoples, involve an indigenous-specific program or policy, or are culturally specific to indigenous people. It also helps to support capacity building and partnership development for indigenous business. So do take note of the indigenous procurement program.

The 2015 budget also committed an additional \$250 million over two years to renew Ontario's Youth Jobs Strategy and provide employment and skills development for up to 150,000 youth, a significant number of whom will be indigenous youth.

We're also investing an additional \$13 million over two years for pre-apprenticeship programs to help a potential entry to an apprenticeship program to develop their skill sets and readiness to take on the task and the responsibilities and the discipline and so on that you need to successfully complete an apprenticeship program. We do that through an in-class training session and work placements to give the potential apprentice a flavour, a sense, of what he or she may be getting themselves into, to give them a taste of what it's like to be a skilled apprentice and to complete that program. The additional funding also provides enrichment opportunities for all students from underrepresented groups across the board, with particular emphasis on indigenous young people.

**The Chair (Ms. Cheri DiNovo):** Minister, you have just over four minutes.

**Hon. David Zimmer:** Thank you. I can just sum up nicely, then.

The aboriginal community grants program is designed to promote indigenous self-reliance by funding community capital projects that provide a delivery point for community services and business activity. I can tell you that from 2003-15, the aboriginal community grants program provided slightly more than \$34 million to indigenous communities. We've done that through 134 major and minor capital grants and related feasibility studies.

We also have something, the New Relationship Fund which was announced in May 2008, which fulfills a key recommendation of the Ipperwash Inquiry report which said to support indigenous communities and organizations in their participation, consultation and engagement with government and the private sector. The New Relationship Fund supports about 650 projects by indigenous communities and organizations, built around consultation capacity, job creation, business partnerships and economic opportunities.

I'm going to just tell you about one project. This past summer, I was up in the Georgian Bay area and made an announcement: \$740,000 for indigenous economic development in the Georgian Bay area. It was built around Beausoleil First Nation, the Chippewas of Nawash, which is an unceded First Nation, and the Saugeen First Nation. Beausoleil, \$300,000; Chippewas of Nawash, \$300,000; and \$140,000 to Saugeen.

I said at the time, "The Aboriginal Economic Development Fund is helping indigenous ... communities and organizations create, diversify and collaborate. We're excited to see how these grants will help indigenous communities, workers and businesses in the Georgian Bay area have bright and prosperous" economic futures.

The chief of the Nawash said, "The harvesting of fish"—that plan was built around the fishing business—"as a commercial resource has a substantial amount of membership involved as an economic activity. We are now hoping to address capital investment opportunity to move to the next phase of the long-term plan," which is the cold storage and ice flaking equipment for the fish. "Our intention is to work with others to make our fishery a five-star operation and an economic driver" in the First Nation territory. That was Chief Greg Nadjiwon, chief of the Chippewas of Nawash.

The program was well-received and it's effective.

I'm going to ask Hillary to comment further on these programs. She's the assistant deputy minister in charge of the delivery of this.

**Mr. Han Dong:** Well, before you do that, I just want to make a comment that I can tell, from your explanation, that through this funding program you are really touching upon the lives of many, many indigenous people and providing them a future with skill-training opportunities.

I think, like you said, that access to capital is so important, because with that assurance, you are encouraging and cultivating a generation of innovation—innovative

minds that are coming forward with their skills, their knowledge, their entrepreneurship. I think this is something that we see quite often in non-aboriginal settings. For example, in my riding of Trinity-Spadina—

**The Chair (Ms. Cheri DiNovo):** And I'm afraid that your time is up, Mr. Dong.

We move to the official opposition. Mr. Miller.

1650

**Mr. Norm Miller:** Thank you, Madam Chair.

I guess I'll follow up on some of the questions that were just being asked, starting with the program that you were talking about, the aboriginal capital grants program. First of all, what is the total amount of money spent in the aboriginal grants program? Secondly, could you give me some specific examples of what you would consider to be successful outcomes from investments made with that program, where you think it has been a positive benefit in any way you can demonstrate—jobs were created—or what the benefit was from the investment?

**Hon. David Zimmer:** Thank you for that question. I'm going to ask assistant deputy minister Thatcher, who has the delivery details, if you will, of some of these programs that you're interested in.

**Ms. Hillary Thatcher:** Hi. I'm assistant deputy minister Hillary Thatcher of the Ministry of Indigenous Relations and Reconciliation.

The Aboriginal Economic Development Fund was initially announced in the 2014 budget, at \$25 million. In 2016, the fund was extended, bringing the total, over 10 years, to \$95 million in investments.

The fund is broken down, as the minister had indicated, into three funding streams: the Business and Community Fund, the Regional Partnership Grant and the Economic Diversification Grant. With that, we've been funding, for three years, \$15 million to six aboriginal financial institutions through the Business and Community Fund. That enables those financial institutions to fund different community members and community indigenous organizations to undertake their initiatives and receive the funding that's needed so they can move forward their projects and programs—

**Mr. Norm Miller:** So just to pick up a little bit on that: I assume that the \$15 million is going to these aboriginal financial institutions and they, I assume, are lending or granting the money out like a bank, more or less?

**Ms. Hillary Thatcher:** A combination, yes, of lend and grant.

**Mr. Norm Miller:** Of grants and loans, then?

**Ms. Hillary Thatcher:** Yes.

**Mr. Norm Miller:** And they'd be private businesses of various kinds that they'd be—

**Ms. Hillary Thatcher:** That they would be loaning and granting them money, yes.

**Mr. Norm Miller:** Okay.

**Ms. Hillary Thatcher:** I just wanted to mention also the Regional Partnership Grant, which is another important part of the program. This gets down to the funding of some capacity-building for communities. A really posi-

tive example that we like to refer to, because it has shown a significant amount of results right away, has been an initiative that we did with Wahgoshig First Nation. In 2015-16 they received \$247,000 through the regional partnership stream for their partnership with Northern College training and Primero Mining. With that, they were able to develop the hard-rock mining initiative. This initiative got additional funding in this fiscal for 2016-17 of an additional \$248,000.

With this funding as an example, Wahgoshig First Nation members can earn their Basic Underground Hard Rock Miner Common Core certification. That's a program that's offered to the members not very far from the community. With this partnership, the community members receive support for commuting; it covers their tuition and other types of supports that students might require when they go to school—if you have a young family, caregivers and that type of thing. Since the spring of 2015, when it was launched, we're already seeing an 80% success rate of students who have graduated and have secured jobs in the mining sector.

We're able to demonstrate that through training initiatives that are offered through the Regional Partnership Grant—particularly when you've got a very specific apprenticeship-like training initiative, you can actually see results translate from getting some basic training, right into a job and securing jobs. Jobs in this sector are in the range of \$60,000- to \$100,000-a-year positions in the mining sector.

I know that you're probably all very familiar with statistics. The National Household Survey in 2011 looked at the indigenous peoples of Ontario and compared median incomes for indigenous peoples between the ages of 25 and 64 at \$28,618 compared to non-indigenous peoples at \$39,000 a year. So you can see that when you're doing specific training initiatives where it translates into a job, the outcomes of the program are extremely positive for indigenous populations across Ontario, both First Nations and Métis who are participating in the program.

**Mr. Norm Miller:** I think that's a very good example, and I would agree that that sounds like money well spent. How many students would that be? Do you have a number of how many? You said 80% were successful in getting a certificate and getting jobs.

**Ms. Hillary Thatcher:** I don't have the exact number, but that's something we would be able to pull from our records from the reporting back from that community.

**Mr. Norm Miller:** And I assume there's either a mine or mines close by—that they're getting the jobs at particular mines.

**Ms. Hillary Thatcher:** That's right.

**Mr. Norm Miller:** I would agree with you that, especially for the very remote communities, mining is the best hope for a lot of communities because there's great potential, especially in the Far North and the Ring of Fire, for substantial mines. Mining at this time does employ—I believe that 14% of the workforce in mining is indigenous people. That provides that hope, and, as

you just mentioned, they are very good, high-paying jobs. So that's an area where I'm pleased to see the government trying to do things to support indigenous communities.

The program I was asking about initially, the aboriginal capital grants program: Have you got examples of that one as well, or is that a different program than the ones you were just mentioning?

**Ms. Hillary Thatcher:** It is another program, actually, that I manage through my role as the assistant deputy minister. I can talk to the community capital grants program. It is an application-based program. It was re-launched this fiscal. Traditionally, it supported community economic development centres in First Nation communities.

It's a small program: \$3 million a year is allotted to it. When we relaunched it this year, we've tried to line it up and modernize the program to be an application-based program so that it's competitive, because with \$3 million a year you don't get a lot of infrastructure built but you can get some substantive projects built. We've released it as application-based so it's competitive among all communities. Also, it now lines up with some of the key priorities that our indigenous partners had flagged for us. Primarily in the past, it was focused on more EcDev centres and community centres—

**Mr. Norm Miller:** Sorry? What centres?

**Ms. Hillary Thatcher:** This is the capital grants program.

**Mr. Norm Miller:** Yes. I missed what kind of centres you were saying.

**Ms. Hillary Thatcher:** It would be more like an economic development centre in the community or a community centre where economic activity could happen, like business planning. It would vary from community to community.

What we've done is, we've opened it up to some other key priority areas for communities. We had a number of communities approach us about funding things like support for daycare enhancements on-reserve, or an elder centre so that elders in the community could stay in their community and have an elders' place, a gathering place, so they could stay in their community.

We've opened it up to additional opportunities so it's not as narrowly scoped as it was in the past. It's open to First Nations and Métis communities across the province. We support things like feasibility studies to ensure that initiatives and projects get that basic feasibility in. In federal funding, there are gaps in terms of funding available for doing basic feasibility and drawings for your infrastructure projects. This program tries to capture that, and then it actually funds up to \$500,000 for an infrastructure project, a building. It also supports retrofitting buildings and, in remote communities, up to \$700,000, recognizing the higher cost of transporting goods up to remote areas.

1700

**Mr. Norm Miller:** So almost like a municipal program but for the indigenous communities?

**Ms. Hillary Thatcher:** Yes.

**Mr. Norm Miller:** Okay. I'm going to go back to what I was asking about at the end of my last time, which was diabetes. Minister, you were about to tell me a good story, you said. I'll let you tell me that story and then I have a couple of questions.

**Hon. David Zimmer:** Yes. This is a human interest story that paints a very vivid picture of the tragedy of the diabetes situation, especially in the remote north. I've told you that we get into the remote north on a small plane that usually seats six or eight. As often as possible, we will take someone who has not been to a remote, because we believe that seeing is believing. There is a whole lot of awareness work that has to be done among folks who have never been to remote fly-ins. In fact, I would ask this group—I'd be curious—how many sitting around this square have been to a remote fly-in?

*Interjections.*

**Hon. David Zimmer:** We'll get the rest of you up there. Anyway, on the plane, we would take someone to show them.

These meetings are always: We arrive. There's a welcoming ceremony, and then we go to the band council office, where there's a prepared agenda. The agenda is worked out in advance with the chief, his council and my ministry. Diabetes is always on the agenda, as are many other items. Then we will conclude with a tour of the community and perhaps something to eat, and then we fly back.

On the tour of the community on this day there was someone riding in the vehicle as we drove around the community on the dirt roads who observed and asked the question, "I noticed almost all of these houses have a ramp to get up to the house. Why is that? Is that because it's easier to go up the ramp in the winter rather than steps in the snow?" Earlier, we had been talking about diabetes at the meeting. The chief, who was in the vehicle, turned and said, "There are ramps there to enable wheelchair access because, for almost every one of these homes with a ramp, the ramp is a sign that there is an amputee living there. The amputee is always—99%—the result of diabetes." It just stopped the person who was with us cold in their tracks. It just drove that point home.

Imagine these communities where the majority of houses have ramps instead of stairs, and that's to accommodate people with missing legs, and the legs are missing because of diabetes.

**Mr. Norm Miller:** That's an excellent illustration of just how bad it is and how serious a problem it is. Do you have any data suggesting what percentage of Ontario's indigenous people suffer from type 2 diabetes?

**Hon. David Zimmer:** Give me one second and I'll have that.

*Interjection.*

**Hon. David Zimmer:** We at the ministry don't have that percentage data, if you will, or numerical data. That's something where I would be happy to see what I can do with an inquiry to the Ministry of Health.

**Mr. Norm Miller:** That would be good. Obviously, from the story you were illustrating, it's bad. From

articles I've read, it's essentially epidemic proportions of diabetes.

**Hon. David Zimmer:** I've been to a small hospital in Red Lake, up in northwestern Ontario, where visiting surgeons come in for a few days from Toronto; I think there were some from Winnipeg, Vancouver, and, interestingly enough, if I remember correctly, a surgeon from London, England. They come in for a few days or a week and basically they do amputations.

**Mr. Norm Miller:** That is pretty terrible.

Is your ministry co-operating with the Ministry of Health on programs to mitigate the growth of diabetes cases amongst indigenous peoples?

**Hon. David Zimmer:** Yes. We, for obvious reasons, recognize that improving health care is one of the highest priorities for indigenous communities. Closing the gaps in health outcomes, investing in health care and wellness of indigenous communities, is one of the very, very important steps that we as a province are working on in our journey both for physical healing and emotional healing and reconciliation with indigenous peoples.

Ontario has invested \$222 million over the next three years for the First Nations Health Action Plan. I was with the Minister of Health, Eric Hoskins, I guess last spring. I think we did that announcement in Thunder Bay, at one of the health centres there.

**The Chair (Ms. Cheri DiNovo):** You have about four minutes left.

**Hon. David Zimmer:** That \$220 million is being spent over the next three years. That's specific for the First Nations Health Action Plan, to deal with diabetes and other things.

In addition to that, at the end of the three years—so starting in year four—we'll have sustained funding in place in the amount of \$104.5 million, and that will continue on an annual basis over the years to address health inequities, access to health services over the long term, access to culturally appropriate health services. We'll be spending a significant focus on primary care, public health and education promotion—especially in the case of diabetes, diet and lifestyle and so on—seniors' care, hospital services, life promotion and crisis support. It's a historic investment, that \$222 million over three years and then \$104 million a year thereafter on an annual basis.

The Ministry of Health and Long-Term Care provides aboriginal health access centres; the acronym is AHACs. The aboriginal health access centres offer—and this is a very important issue—a blend of traditional indigenous approaches to health care and wellness combined with contemporary primary health care. We will do that all in a culturally appropriate setting.

I can tell you that there are 10 of those aboriginal health access centres, with sites both on-reserve and off-reserve. They are managed directly by the Ministry of Health and Long-Term Care. I have a list of them here: Thunder Bay, Hamilton, Brantford, Fort Frances, Cornwall, Little Current, Sudbury, Owen Sound, London, Kenora, Keewatin. The point is, those community aboriginal health access centres are across the board.

I can provide you with a copy of a document entitled Ontario Aboriginal Diabetes Strategy. We'll see that you get that. You should have a close look at that.

The point I am trying to leave you here with, or the idea, is that we are committed to these issues of indigenous health. We have, I can tell you, over 450 various indigenous health and healing projects and initiatives, covering the range of health care issues and covering the range of geographic locations in this huge province.

**The Chair (Ms. Cheri DiNovo):** You have about 30 seconds to wrap up, Mr. Miller.

**Mr. Norm Miller:** Well, I guess the question is, it sounds like there are lots of programs, but are we making any strides in terms of actually improving outcomes for indigenous people? How are we measuring that?

**Hon. David Zimmer:** I can tell you, in answer to one of your questions before, the rate of diabetes in indigenous communities is three times the rate in non-indigenous communities. The investments that I've talked about are designed to address that.

**Mr. Norm Miller:** The key is whether they're working or not.

1710

**Hon. David Zimmer:** Yes, and we have every reason to believe they are working—

**The Chair (Ms. Cheri DiNovo):** Okay, that will be about it. Thank you, Mr. Miller.

Moving now to the third party: Madame Gélinas.

**M<sup>me</sup> France Gélinas:** Well, I was not going to go on AHACs, but since you opened it up I'm just going to—

**Hon. David Zimmer:** I'm sorry, I missed—

**M<sup>me</sup> France Gélinas:** AHACs—aboriginal health access centres. Your ministry does indigenous relations and reconciliation. A lot of it is to make sure that there are good relations between your ministry and the 10 AHACs. The number one priority of all 10 AHACs is that—they haven't seen a pay increase in eight years. The nurse practitioners, the people who work there, haven't seen a pay increase in eight years. I would like to know if your ministry is aware of that and, in your role in indigenous relations, what you have done to help them.

**Hon. David Zimmer:** As I said earlier in my answer to Mr. Miller, those 10 AHACs, as you know, are directly managed by the Ministry of Health and Long-Term Care. For the specifics and details of the remuneration, pay packages, benefits and so forth I have to direct you to the Ministry of Health and Long-Term Care. But I will let the ministry know that you've raised the issue.

**M<sup>me</sup> France Gélinas:** I have raised it with them for the last eight years. But I thank you for that.

Just so that I better understand: How high of a crisis does it need to be in a First Nation before it reaches your desk? The fact that nurse practitioners working in AHACs have come here to the front lawn of Queen's Park; they have written to every ministry; they've done everything they can so that they can get a pay raise—because recruiting and retaining qualified nurse practitioners in aboriginal health access centres is really tough when the nurse practitioner down the street makes

\$40,000 or \$20,000 more a year than you do. You are setting them up to fail. How big a crisis does it have to be before your ministry becomes aware and starts to help?

**Hon. David Zimmer:** As I said, I've been to 83 First Nations, and I'll be doing some more visits in the next while. My commitment and my ambition—I hope I can satisfy it—is to get to all 130 First Nations. Because you're right: When you see what's going on on the ground, it triggers thoughts and reactions.

One of the things we do as a ministry is identify issues and bring them to the attention of other ministries or other sectors, the private sector or whatever. As I said earlier in my answer to your question, I will make your concerns known to the Ministry of Health, who are the direct managers of the 10 AHACs.

**M<sup>me</sup> France Gélinas:** Much appreciated. I'm sure they will appreciate it also.

If you've never gone to see an aboriginal health access centre, I strongly suggest that you go visit them. They are amazing. If they could recruit and retain a stable workforce you wouldn't see the level of amputations. It's only an unmanaged diabetic who ends up with foot ulcers and amputation. If your diabetes is well managed, then you don't have those complications. A little bit of health promotion and disease prevention goes a long way, and this is what AHACs are all about.

We promote them as a terrific model, and they are, but then we attach an anchor to them by not funding their staff at the same level that everybody else's staff in town is being funded at. In Sudbury, the Shkagamik-Kwe Health Centre is a phenomenal program. It is really, really good. It's one of the 10 AHACs. When a nurse practitioner working at the hospital or working at Pioneer Manor or working at the community care access centre makes \$40,000 more than the nurse practitioners who work so hard with a population that has such high needs and make so much less, you can see where it falls apart.

**Hon. David Zimmer:** I come from, on my mother's side of the family, a family of nurses. There were nine daughters, and they all became nurses but one. So I've got a spot in my mind for the opinion of nurses. I can tell you, on these visits that I've told you about, the 83—and I've just gone through the list of the 10 AHACs; I think I'm missing one—I always make a point of getting to the nursing station on-reserve, which is apart, separate from the AHAC. I make a point of getting to the AHACs and the health centres. The first person that I try to speak to is the resident nurse or the nurse on duty, because they're in the trenches and seeing it on a day-to-day, an hour-to-hour basis. I get some of my best information, constructive information and helpful information—and ringing alarm bells too—from the nurses who are there on a day-to-day basis, dealing with patients as they're coming in the door.

**M<sup>me</sup> France Gélinas:** I can guarantee you that you can walk into any one of the 10 AHACs in Ontario, talk to any nurse practitioners and they will tell you the number one priority is that they want pay equity with every other nurse practitioner who doesn't work for First Nations. Why is it that if you are a nurse practitioner and

have the exact same qualifications, knowledge and skills but you happen to work for a First Nation, we ask you to work for less? Can you see something so drastically against anything that talks to reconciliation when we've allowed this to go on for eight years? This is what we have in Ontario right now. You can go see any of them. They will tell you they want equal pay for equal work, and they want the same pension plan that everybody else has.

But I didn't want to talk about AHACs; I just wanted to help my colleague here.

I want to come back to Wahnapitae First Nation. You and I talked about this in the spring. You had the opportunity to go to Wahnapitae First Nation, a wonderful, wonderful, tiny, weeny, one-kilometre-square First Nation that should be in my riding but is in the riding of Timiskaming—Cochrane, three ridings away from where they are, an error made by somebody in Toronto who didn't think that anybody lived there. But a First Nation was there, and they were put in the wrong riding.

You and I have had this conversation. I know that you went and met with the chief through the summer, that they raised this issue; and I just wanted to ask again, are you willing to support that Wahnapitae First Nation be moved into the riding of Nickel Belt rather than the riding of Timiskaming—Cochrane, which is 400 kilometres away?

**Hon. David Zimmer:** I am aware of the issue. As you know, Minister Thibeault, now the Minister of Energy, when he was the parliamentary assistant, before he became the minister—he and I went and visited Wahnapitae. Again, we had the welcoming. We worked through the planned agenda. That was on the agenda. We had a lovely tour of Wahnapitae. We saw some of the paleo-graphics on the rocks. I know that you've got a private member's bill to adjust those boundary lines. I'm just not sure where it is in the system, but I know it's there.

**M<sup>me</sup> France Gélinas:** No, it's not. We prorogued, remember? Everything's gone.

**Hon. David Zimmer:** It's not one of the ones you're reintroducing?

**M<sup>me</sup> France Gélinas:** Everything's gone.

**Hon. David Zimmer:** So I do understand the concerns of Wahnapitae First Nation on this riding boundary issue. As I said, I was at Wahnapitae earlier this year with Chief Roque and his community, along with—as he then was—parliamentary assistant Thibeault. When it comes to issues like this, we are always open to consultation with First Nation partners to work out a solution to the challenges they face. We respect the aboriginal and treaty rights as recognized and confirmed under section 35 of the Constitution Act, 1982, and we are committed to meeting the province's constitutional and other obligations. We do want to consult with the crown and we want to see consultations with the crown and First Nations to strengthen these relationships.

1720

Specifically to your question about amending the Electoral Boundaries Act, we believe that it would be inappropriate to selectively change electoral boundaries.

Having said that, we are open to discussions surrounding how best to represent the people of Ontario in the electoral process, in particular the Wahnapitae First Nation.

There is some concern—I want to come back to this selective changing of boundaries—that if one change to the northern boundary is made, then other possible changes will also have to be considered. There could be many examples similar to the one that you've raised as the member for Nickel Belt, which you brought to our attention. The issue is, to change one boundary for one riding without having the opportunity to properly consult with the other areas that may also want to change would not be fair to the collective of ridings, if you will.

Further changes to Ontario's provincial electoral boundaries could be considered in the future, based on population shifts, growth and other factors. We remain open to having this discussion.

**M<sup>me</sup> France Gélinas:** Population growth and shifts—those don't happen in northern Ontario. You're talking about a tiny, weeny, little First Nations community, one kilometre square. They're never going to grow big enough—100,000—so that they become their own riding.

What you're offering is, again, a made-in-the-south—in Toronto and in the GTA, and sure, the population is such that it warrants a whole bunch of changes. We have just made 27 such changes. But that doesn't apply to Wahnapitae. Wahnapitae is 36 families.

**Hon. David Zimmer:** I tried to give you a background answer about the challenges in changing and adjusting boundaries, keeping in mind that we've got 107 ridings in Ontario that have to be looked after or dealt with. But when it comes down to the detail of your request or suggestion, that's something that the Ministry of the Attorney General has to deal with. The delineation of electoral boundaries is something that the Minister of the Attorney General—Minister Naqvi—has responsibility for. I'd be happy to make your—

**M<sup>me</sup> France Gélinas:** I realize which ministry the responsibility lies with, but chief after chief, band council after band council for the last 13 have been asking your government to do this change. They come to you as the minister responsible for reconciliation, the minister responsible for relationships with First Nations, to say: "Will you help us?" So is the answer yes, you will help them achieve what, for the past 13 years, the chiefs and councils have been asking this government to do, or no?

**Hon. David Zimmer:** That's one of the reasons why I went to Wahnapitae First Nation, accompanied by then parliamentary assistant Thibeault—now Minister Thibeault—because we had heard about a number of issues at Wahnapitae, this being one of them. I wanted to see for myself. Chief Roque explained the situation with the aid of maps and a tour in his vehicle, so I am aware of the issue and I will make your concerns known again to the Attorney General.

**The Chair (Ms. Cheri DiNovo):** Madame Gélinas, you have five minutes.

**M<sup>me</sup> France Gélinas:** So I can report back to Wahnapitae that you will make their concern known to the ministry with the view of supporting their request?

**Hon. David Zimmer:** The responsibility for the delineation of electoral boundaries is the responsibility of the Attorney General. In my general answer to your question the first time around, I outlined the challenges with respect to the other 107 ridings and so on. I will make your concerns known to the Attorney General.

**M<sup>me</sup> France Gélinas:** They are not my concerns; they are the concerns—

**Hon. David Zimmer:** I will make the concerns about this issue known to the Attorney General.

**M<sup>me</sup> France Gélinas:** Okay. With the view that you support their position?

**Hon. David Zimmer:** I will make the concerns known to the Attorney General. As I've said earlier, the issue is selectivity of particular adjustments to particular riding boundaries.

**M<sup>me</sup> France Gélinas:** But I'm not asking you to—first of all, we have written to every single First Nation to ask them, "Are any of you in the wrong riding?" The answer is no. All of them are quite happy with where they are, except one: Wahnapitae First Nation. You are the minister responsible for indigenous—the title has changed—aboriginal affairs—

**Hon. David Zimmer:** Ministry of Indigenous Relations—

**M<sup>me</sup> France Gélinas:** —and Reconciliation.

**Hon. David Zimmer:** —and Reconciliation, with a big emphasis on "relations" and with a big emphasis on "reconciliation." That's one of the reasons, even before we changed the name to the Ministry of Indigenous Relations and Reconciliation, that I went to Wahnapitae to understand the First Nation, to get an on-site briefing. I've done that 83 times with other First Nations. I will make the concerns known to the Attorney General.

**M<sup>me</sup> France Gélinas:** With your support for Wahnapitae?

**Hon. David Zimmer:** I will make your concerns known to the Attorney General and I will do that in a fair and objective way.

**M<sup>me</sup> France Gélinas:** Okay, so what will you say to the ministry?

**Hon. David Zimmer:** Ministerial conversations are privileged.

**M<sup>me</sup> France Gélinas:** I think that's a fancy way to say no, that you're not going to support Wahnapitae. You realize that all of this is on record. That record is going to be shared with them.

**Hon. David Zimmer:** I know, and you have a political—

**Ms. Sophie Kiwala:** Chair?

**The Chair (Ms. Cheri DiNovo):** Excuse me, just for a second. Yes, Ms. Kiwala?

**Ms. Sophie Kiwala:** I'd like to make a point of order: I'm just not sure where electoral boundaries relate to estimates. It seems that the conversation is going a little bit off track.

**The Chair (Ms. Cheri DiNovo):** Duly noted. Back to Madame Gélinas.

**M<sup>me</sup> France Gélinas:** The Ministry of Indigenous Relations and Reconciliation: What a good opportunity to do indigenous relations and reconciliation—than to support them in those efforts that they have put forward unsuccessfully for the last 13 years by putting on the record that you will go talk to the Attorney General and support their case that they've pleaded to you, that they've pleaded to me. That's what I was after.

**Hon. David Zimmer:** And I've said that I went to Wahnapitae to understand the issue. I will make your concerns known to the Attorney General, and I will make the concerns of Chief Roque known to the Attorney General.

**The Chair (Ms. Cheri DiNovo):** You have about a minute and 10 seconds to wrap up.

**M<sup>me</sup> France Gélinas:** A minute and 10 seconds?

**The Chair (Ms. Cheri DiNovo):** Five seconds now.

**M<sup>me</sup> France Gélinas:** No, all of my others are way too big for that. I'll let it go.

**The Chair (Ms. Cheri DiNovo):** Okay. Moving over to the government side now: Mr. Dickson.

**Mr. Joe Dickson:** Thank you, Chair DiNovo. Through you to Mr. Zimmer and the senior colleagues who are with him today, I'm going to provide a little bit of dialogue on treaties and ask a particular question. Before I do, just in a lighter vein if I could, because I know there's been a great conversation here about health—and we'll leave it with the minister if he has time later on in the presentation, because I know he was really our health saviour one day. The very first time we flew to, I believe it was Sioux Lookout, where you land and then you drive up the hill, the plane was frozen, and we couldn't get out, so we needed someone small to use as a battering ram to knock out the rear window. Then a few of the smaller people could get out and they could put the steam to the large door. Then everyone was able to get out, because no one was getting out without that happening.

1730

Minister Zimmer, we know that treaties were foundational for the development of this country and continue to inform how we all live and work together in Ontario. I've heard that Ontario has a long history of treaties that is unique for the number and variety, with 46 treaties and land purchases that cover Ontario. They are solemn agreements to live together on this land through the formal exchange of promises that create rights and responsibilities for Canada, Ontario and, for sure, First Nations.

Both the Ipperwash Inquiry—and you might recollect later on down the road that it was the Deputy Premier at that time, Gerry Phillips—and the Truth and Reconciliation Commission of Indian residential schools highlighted the need for public awareness of our shared history in order to support reconciliation between indigenous and non-indigenous Canadians.

I recall that on May 30, the same day that the Premier had her historic statement of reconciliation with indigenous peoples in the Legislature, legislation was tabled to

declare the first week of November as Treaties Recognition Week.

Ontario's 2014 budget announced that the province is moving forward with a new treaty strategy, including funding of \$7.9 million over three years. The strategy includes a treaty education and public awareness campaign to raise awareness of treaty and aboriginal rights and meaningful discussions with indigenous communities on treaty relationships. It seems clear that Ontario is committed to working in partnership with First Nations and other indigenous partners to ensure that our treaty relationship is a modern and mutually beneficial one.

My question to you, Mr. Minister, is: Can you elaborate on what Ontario is doing to revitalize the treaty relationship?

**Hon. David Zimmer:** Thank you for that question. I do remember that trip, when I, with my particular stature, was able to rescue you and—as he then was—parliamentary assistant Charles Sousa, as we climbed out on the wing through a window of a very small airplane and then leapt to the ground.

Your question is about the treaty relationship. You have heard, I'm sure, many times from the political leadership of Queen's Park and the political leadership of First Nations the expression, "We Are All Treaty People." That is not an empty expression. It's pregnant with meaning and responsibility. What does that term, "We Are All Treaty People," mean? That's the gist of your question.

Just by way of background, how did we get to this position where we, both First Nation and non-First Nation, now identify as treaty peoples, that we are all treaty peoples? Ontario has a long history of treaties, and it is unique for the number and variety of treaties between First Nations and the crown. The treaties had been negotiated between the years 1701 and 1923. There are 46 treaties and land purchases that cover Ontario.

The treaties were negotiated for a variety of purposes, intentions and terms, including military and trade alliances and land purchases, combined with gifts, the creation of reserves, the payment of annuities or some combination of all of these. Often included in the terms of the treaty was the protection of hunting, fishing and trapping rights on lands—and here's the expression—"not taken up by the crown."

Although they have been signed by previous generations going all the way to 1701, historic treaties continue to be as relevant today as they were at the time they were signed, and many, if not most, Ontarians do not realize that they are inevitably living in an area covered by a treaty.

As I said, there are 46 treaties in Ontario covering most of Ontario, and a treaty is really a contract, if you will, entered into by the parties. So 250 years ago, the then British crown negotiated a treaty with local First Nations and the treaty essentially said, "All right. We, the crown, this is what we'll do, and we promise wampum belts, symbols of these commitments." The First Nation, "All right. You're going to do this, crown, and we'll do

thus and thus and thus." There was an arrangement, a treaty, a contractual arrangement.

First Nation partners have expressed that they would like to reintroduce the principles of common prosperity, mutual support and coexisting, principles that flowed from the two-row wampum, the covenant chain and the Treaty of Niagara, which is one of the first in 1763—King George III. There was the Treaty of Niagara. There was also the Royal Proclamation in which the British crown and what's now Canada set out their approach to the relationship with First Nations and then it was incorporated. There was the Treaty of Niagara and a host of other treaties that I've referenced.

Since the signing of treaties, though—here's the problem—a lot has happened to erode the relationship between First Nation leadership and the crown and to erode what was the intent of the treaties. We are recognizing that we have to get back to the respective obligations in these original treaties. It's a matter of a contract, if you will.

There are many historical examples when crown governments, including Ontario, did not take treaty obligations into account when they were making decisions affecting First Nations people after the crown had entered into the treaty. These decisions created a strain on our relationship. The decisions communicated a lack of respect to First Nations and, in turn, some of these decisions led to litigation and court rulings that have considerably changed the way governments conduct themselves in relation to First Nations.

In the last generation or two, there's a new generation of First Nation leadership, young lawyers, smart young First Nation lawyers, business persons and others, who sat down at a very practical level and figured out, "There's something wrong with what's going on between our First Nation and the crown. That's not the way it's supposed to be." You know what they did? They did a simple thing: digging out the treaty, reading it through, understanding it, analyzing it and essentially going back to the crown, the government, and saying, "Hold on here. The treaty said thus and thus. That's not happening, and it should be happening."

That's sort of where we are now. That's the basis of a lot of the litigation to recognize and, indeed, enforce the original treaty document and the obligations and responsibilities therein.

Treaties are a foundation of the crown's relationship with indigenous partners. We need to work together to define and refine these relationships and how we live together. As modern treaties and other agreements are negotiated between indigenous partners and the crown, and as new case law is made by the courts—several times a year there's an important case that comes out of the Supreme Court or other courts in the country. As this new case law is made by the courts and as new understandings are reached among the partners, we've become more focused on the need to reconcile our respective understandings of these treaty obligations.

**1740**

How do we go about revitalizing the treaty relationship? I can tell you a very important step was in August 2015. Ontario signed a document entitled, the Political Accord. The Political Accord committed the province and the First Nations to discuss issues of common interest, including treaty relationships: What do treaties mean? How do we honour treaties? How do we live within the meaning of treaties and so on?

In November 2015, an example of Ontario revitalizing the treaty relationship was demonstrated by the signing of a memorandum of understanding with the Mushkegowuk tribal council and its member communities. Through that memorandum of understanding, Ontario and the Mushkegowuk tribal council agreed to discuss and address mutually identified areas of interest through a treaty round-table process. This was the first process that was established subsequent to the Political Accord and pursuant to the Political Accord.

It's through these respectful and meaningful dialogues that we will continue to work with indigenous partners to revitalize our treaty relationships.

Here are a couple of examples of things that we've done: Ontario launched the New Relationship Fund. I referenced that this morning. Thus far, the fund has helped almost 200 First Nation and Métis communities and organizations to engage in consultation with governments, industry and the private sector on resource-based economic development activities.

We've worked on the modernization of the Mining Act in 2009. It's the first legislation in Ontario that embeds consultation principles related to the established asserted treaty and aboriginal rights. So they've gone back, looked at the treaty, looked at the obligations and responsibilities and said, "All right. This is how those obligations and responsibilities will play out in the context of the consultation process," for instance, with the mining sector and other sectors.

The government also signed a historic regional framework agreement with the Matawa First Nations for negotiations on sustainably developing the Ring of Fire. So the Matawa tribal council is a tribal council consisting of nine First Nations that are essentially in what we know as the Ring of Fire area in northern Ontario.

We recently extended the Aboriginal Economic Development Fund that I referenced earlier this morning. That works to ensure that indigenous communities can create economic development and diversification opportunities.

We are very committed to restoring and getting back to a good place in a good way with the treaties, understanding what the intent was at the time and the obligations of the respective parties.

For that reason and in that furtherance of that initiative, the government—we've committed to something that we refer to as the treaty strategy. What is the treaty strategy? The treaty strategy is first going to promote public awareness about treaties. I will tell you a story, an anecdote that will drive the point home. Some months

after I became the minister, I was in my office—and on the wall I have a large map of Ontario, twice the size of that flat screen, with all the treaties marked on the map, colour-coded and with the date of the treaties. They range from the late- and mid-18th century through to 1923. In fact, there was a 1929 adhesion, as it's referred to, to Treaty 9, which is the Far North. There was a man sitting in my office—middle-aged, professional, not First Nation. He was speaking to me on another matter. His eye fell on the map and he asked what it was. I explained the treaties and the colour code and that all over Ontario were treaty peoples. He was an educated person, from southern Ontario, and he leaned over said, "You know, Minister, I had no idea that there were 46 treaties." I told him there were 133 First Nations. He said, "I had no idea. I knew there was a First Nation in Cornwall"—I can't remember the name he said—"I knew there was one in Rama, the casino, and I knew about the one up at Six Nations, in Brantford, and I think there's something in London." That was his extent.

So I walked him through the map. He was so taken aback by his—and I use the word in its technical sense, not in the pejorative sense—ignorance that he asked if I would give him a map, which I did. That then triggered the idea that if he doesn't know, there must be huge numbers of people who don't know. So I had a talk with the Minister of Education, a talk with the Premier, and we came up with the idea of sending out this treaty map to all 5,200 elementary and high schools in Ontario, with an instruction to the school to post it in a prominent place and to conduct a series of talks and lectures around the treaty map to make the kids aware.

**The Chair (Ms. Cheri DiNovo):** Minister, you have just over two minutes left.

**Hon. David Zimmer:** We did the first exercise of unveiling that map. I exercised some ministerial prerogative and did it at a school in Willowdale. We had an elder from Mississaugas of the New Credit—this area was traditional territory—who explained treaties generally, how they worked in Ontario, how the Mississaugas of the New Credit—that the GTA was their traditional territory. We are since, on print on that map, up to 11,000 and something now, I think, Deputy?

**Interjection:** Yes.

**Hon. David Zimmer:** There's a huge demand. That's a good thing, because people did not know about treaties, they did not know about 133 First Nations, and there's an appetite—and that's a good sign—to understand these issues. That goes to awareness. Just ask yourself. Even in the last couple of years, I would expect that everybody around this table has an enhanced, a greater awareness of First Nations and treaties and First Nation rights and so on than you probably had just a couple of years ago. That's a good thing.

**The Chair (Ms. Cheri DiNovo):** You have about a minute and a half, if you would still like to take it.

**Hon. David Zimmer:** Ah, yes.

Supporting and promoting our treaty awareness initiatives, we've got activities going on, really, across the

province. In Thunder Bay, for instance, we have a Walk a Mile project. It's a film series that fosters dialogue among the viewers. They see a movie and then they can sit down and talk about it and ask questions about treaties and treaty relationships.

The Anishinabek Nation's We Are All Treaty People teacher kit: It's a learning resource that's connected with the Ontario school curriculum, grades 1 to 8. It's got teacher guidebooks, maps and DVDs, and it's got an 800-piece Treaty of Fort Niagara Lego wampum belt. They

can put it together. I've seen the children doing that. It triggers a huge amount of interest.

In Willowdale, in the school I told you about where we did the first treaty map, slightly more than half of the children at that session were recent immigrants to Canada. They were deeply interested in this history.

**The Chair (Ms. Cheri DiNovo):** Thank you. Bells are ringing; there's a vote. So we stand adjourned, then, until tomorrow afternoon at 3:45.

*The committee adjourned at 1749.*





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**Official Report  
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(Hansard)**

Wednesday 28 September 2016

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(Hansard)**

Mercredi 28 septembre 2016

**Standing Committee on  
Estimates**

Ministry of Aboriginal Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires autochtones



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## **CONTENTS**

Wednesday 28 September 2016

Ministry of Aboriginal Affairs .....	E-47
Hon. David Zimmer	
Ms. Deborah Richardson	
Ms. Esther Laquer	
Ms. Alison Pilla	
Mr. Shawn Batise	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 28 September 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 28 septembre 2016

*The committee met at 1557 in room 151.*

## MINISTRY OF ABORIGINAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Good afternoon. We are now going to resume consideration of vote 2001 of the estimates of the Ministry of Aboriginal Affairs. There is a total of five hours and 53 minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from the previous meetings that the minister or ministry has responses to, perhaps the information can be distributed by the Clerk at the beginning in order to assist the members with any further questions. Are there any items, Minister?

**Hon. David Zimmer:** I'd ask the Clerk: Were you able to distribute these to whoever wanted them?

**The Clerk of the Committee (Mr. Eric Rennie):** Yes. And I do have extra copies as well.

**The Chair (Ms. Cheri DiNovo):** Yes. Thank you, Minister.

When the committee last adjourned, the official opposition was about to begin their 20-minute round of questions. Mr. Miller, the floor is yours.

**Mr. Norm Miller:** I think I would like to ask about education. It's fairly clear that there's a large gap in terms of the achievement of indigenous students versus non-indigenous students in the province of Ontario. It's been fairly well documented. The Standing Committee on Public Accounts and the Auditor General have looked into this issue and made recommendations to the government. In fact, in March 2016 they reviewed the previous Auditor General's report, and the Standing Committee on Public Accounts put out a report with a list of recommendations.

I wanted to ask about those recommendations, beginning with—the number one recommendation was that “The ministry provide the committee with its most recent results of the aboriginal student achievement gap.” So I'm wondering if you could provide that information.

**Hon. David Zimmer:** Thank you for that. Education is obviously a hugely important issue for First Nation students and their families. Although, the specific details, in answer to your question, I'd have to refer to the Ministry of Education and the Minister of Education, Mitzie Hunter. I can provide a more general background answer for you, to put it in some context, and then, if you want to follow up with the Minister of Education, who

keeps the detailed data and statistics on those issues, we can see what we can do for you there.

You should keep in mind, with respect to on-reserve education, that's the responsibility of the federal government. But Ontario is ready, willing and able to offer our expertise and work with First Nations and the federal government to improve the quality of education for First Nation students on-reserve. We remain committed to working with First Nation communities and the federal government to achieve these common goals of good education for First Nation students. But we also invest in indigenous-specific student achievement strategies across the province. We extend professional development opportunities to give access, support and training for teachers working on-reserve.

Often the question comes up, as you've asked: What are we specifically doing in Ontario to improve indigenous graduation rates? The Ontario aboriginal education strategy was designed to help improve opportunities for aboriginal students, whether they live in remote or urban areas—that is, off-reserve areas. The strategy works closely with parents and communities to encourage increased rates of voluntary self-identification. That's very important because that helps us to better understand the needs of indigenous learners, once we have that self-identification in place.

We also invest in indigenous-specific student achievement strategies across the province. As I said, we extend professional development opportunities and training for teachers who are working on-reserve. Quite specifically, I can tell you that in 2016-17, the total First Nation, Métis and Inuit education supplement of the Grants for Student Needs—that's known as the acronym GSN—is projected to be about \$64 million. That's an increase of over \$7 million. It specifically includes the following investments: an estimated \$1.2 million in base funding for all school boards to establish a lead who would be dedicated to supporting the implementation of the Ontario First Nation, Métis and Inuit education policy framework, and a further \$6 million to incorporate voluntary, confidential indigenous student self-identification and to build that into school board action plans and support the educational achievement of indigenous students by going through this exercise of aligning the various funds that are available with the higher incidence of self-identification.

More specifically, even, I can tell you that the Ontario response to the truth and reconciliation report—that's this document. I've said there are two sections in here entitled, "Understanding the legacy of residential schools" and "Closing gaps and removing barriers." Of course, one of the barriers that we have to remove and one of the gaps that we have to close is the educational achievement of First Nations. Those initiatives that I went through the other day at estimates, which are found in the document *The Journey Together*, are part of this ongoing commitment to collaborate on improving social, economic and health outcomes for indigenous peoples. An aspect of getting a good education is to be in a good state of physical health. The idea of "healthy body, healthy mind"—there really is a reality to that.

There are a number of initiatives that are under way across government and at the federal level to address this issue. I can tell you about our on-reserve child and family programs. As I've said, we want to promote healthy child development under the idea of healthy body, healthy mind, but it also spills out into a broader concept of health, and that is healthy families. If you want a child to get up in the morning, go to school and be on their game while they're at school—that is, attentive and taking in the lessons and so on—there's the issue of physical health and there's the issue of mental health. By that I mean the stresses and strains often of growing up in difficult family circumstances. There may be difficult parental issues at home. All of those have to be addressed in a holistic way.

Sometimes the question comes up—you might be interested in this—of why there aren't any First Nations-specific school boards in Ontario. I've been asked that from time to time. I know that's not part of your question, but I thought you might be interested in this.

We are working with the federal government and our First Nations partners to improve the relationship between the provincially funded schools—those are the off-reserves—and the on-reserve schools, which are federally funded. The federal government provides education for First Nation students on-reserve, and it is their responsibility to coordinate second-level education services. While that's the case, Ontario is ready, willing and able to offer our expertise to work with First Nations and the federal government to support on-reserve, assuming the necessary federal funding.

There is an interesting agreement out there, the proposed Ontario/Anishinabek Nation Master Education Framework Agreement. That's going to build on all the parties' commitments in the master education framework agreement that we signed in November 2015. It sets out topics such as standards and expectations for student success, well-being issues, transition issues, curriculum supports and resources and, very importantly, data and information sharing, because for a lot of these decisions on what approach to take to improve the First Nation student outcomes, we need data and information to show where things are working and where things aren't working, in what direction to move and so on. So the data/information piece is huge.

**Mr. Norm Miller:** And I would agree with you on that. I think that's partly why the public accounts committee made some of their recommendations. I know there have been a lot of programs towards trying to improve the outcomes and the achievement levels for our indigenous students—I'm looking at a list of the various programs. Back in 2005, there was Ontario's New Approach to Aboriginal Affairs, a government-wide policy. In 2007, there was Ontario First Nation, Métis and Inuit Education policy framework, education-specific policy. In 2007, there was Building Bridges to Success for First Nations, Métis and Inuit Students—student self-identification.

In 2009, there was Sound Foundations for the Road Ahead, the first progress report on the framework. In 2012, there was Continuing the Journey, the preliminary report to solicit dialogue. In 2013, there was A Solid Foundation, the second progress report on the framework. So there have been a lot of programs put in place.

1610

I just think that education is so fundamental to improving the lives of indigenous people, to giving them hope to do better, to make more money and to develop skills so they can participate in forestry, mining or whatever activities they choose to do. I really believe it's fundamental, so getting it right is so important.

So that first recommendation of the public accounts committee, "Provide the committee with its most recent results of the ... gap"—do we know whether things are improving in terms of the gap between kids in the general public system versus the indigenous students?

**Hon. David Zimmer:** The question that you've asked resolves around a public accounts committee audit of the Ministry of Education—what they were doing in terms of First Nations students and so on. That collection of data and information and so on, I guess, is either with the public accounts committee now or it's within the Ministry of Education. I'd have to check with that committee or that ministry.

**Mr. Norm Miller:** If you don't mind seeing if you could get that from the Ministry of Education. I'm sure you're interested in knowing what the current gap is as well.

Another thing they were recommending, and you were talking about it, was that "The ministry provide the committee with an update on its tripartite agreement discussions." That would, I assume, be between the federal government, provincial government and indigenous communities.

Traditionally, the provinces have been the experts on education, despite education on-reserve being federally funded; really, the province has got all the expertise. Probably, I would think, that expertise could make a real difference in improving education, both on-reserve and for students who are transitioning off-reserve to the public system, thus the recommendation to provide an update on how those discussions are going. Are you aware at all of how discussions between the province, the federal government and indigenous communities are going?

**Hon. David Zimmer:** Well, I know the discussions are going on, and we do everything we can to encourage those discussions. Sometimes the First Nations ask us to put our oar in and speak to our federal cousins in Ottawa; lots of times the federal cousins come to us and ask us for advice on how to approach the issue. So we do, in our mediating or facilitating role, provide that help and assistance.

**Mr. Norm Miller:** The committee also recommended that “The ministry provide the committee with a summary of how the various board strategies collected by the ministry are being used to improve educational outcomes for First Nation students transitioning to the provincial education system.” I think it’s important, again, to know whether we’re succeeding, especially for the case of indigenous students who are in a remote First Nation. They might be at Fort Severn and then have to go to high school in Thunder Bay. That’s always a huge challenge, that transition. Making that successful and achieving success for those students is critically important to their success going forward.

**The Chair (Ms. Cheri DiNovo):** Mr. Miller, you have just over four minutes.

**Mr. Norm Miller:** Thank you very much. It’s going very quickly.

I wonder if you have some comments about that. You don’t have to be too specific, because I know that’s the Ministry of Education that it’s being asked of.

**Hon. David Zimmer:** Yes, I just wanted to point out that when you say “the ministry,” you’re referring to the Ministry of Education. We’ll see what we can do for you on that.

But with respect to, for instance, the Anishinabek piece, I’m going to ask the deputy. She has some more detailed information for you that you might find of interest.

**Ms. Deborah Richardson:** Sure. Deborah Richardson, Deputy Minister of the Ministry of Indigenous Relations and Reconciliation.

The agreement between the Anishinabek Nation, Canada and Ontario is actually in the final stages. The Anishinabek Nation is out seeking ratification from their members as we speak. It essentially will be a school board run by the Anishinabek Nation, so secondary-level services. It will be the first First Nations school board in the province.

I wanted to take—

**Mr. Norm Miller:** Sorry; will that be running schools on-reserve, then?

**Ms. Deborah Richardson:** Yes, but it will create linkages between off-reserve schools as well, so it will be essentially secondary-level services.

But I wanted to speak about the students from the north who do go to school in Thunder Bay or Sioux Lookout. Most of them attend schools actually funded by the federal government that are operated by the Nishnawbe Aski education council. Dennis Franklin Cromarty and Pelican Falls are the two schools where many

students go. So that is actually run by the Nishnawbe Aski Nation education council. Many of the students do.

But you’re right, there is a disconnect. Because what happens is that the federal government provides funding to schools on-reserve at a level that is less than what the provincial government funds, so if you’re a principal running a school, you can imagine running a school at, let’s say, \$6,400 a kid when the Patricia Kenora school board would have, let’s say, \$15,000 a kid. You’re not able to recruit the same level of teachers, you’re not able to have the same supplies, so imagine—

**Mr. Norm Miller:** And that’s for the schools that are on-reserve?

**Ms. Deborah Richardson:** On-reserve. So then what happens is that these children—

**Mr. Norm Miller:** I’ve seen that in the past and always assumed, if anything, that it would cost way more to be running those schools on-reserve than off-reserve.

**Ms. Deborah Richardson:** That’s right, and they get significantly less. So then what happens is that the children come into the provincial school system and—surprise, surprise—sometimes they don’t do that well because they don’t have the same educational background as others. It’s not in all situations but it is in some situations. So, really, there’s been a push from First Nations leadership for a very long time, and the provincial government has been shoulder to shoulder on this, to have things on an equal playing field, so that schools on-reserve are funded at the same levels as off-reserve.

**Mr. Norm Miller:** And is the province playing a role in terms of the curriculum and other details, where they really are the experts on it? The federal government doesn’t run much education at all.

**Hon. David Zimmer:** If you look at page 25 of *The Journey Together*, there’s just a paragraph there. I’ll just read it:

“Classification of First Nation Schools within the Education Act.

“Ontario will explore the possibility of creating a new classification for First Nation/federally operated schools. This could enhance collaboration between the provincially funded education system and First Nation schools to help build a greater capacity (e.g. professional development and learning resources) in First Nation schools.”

The idea here is to get the First Nation on-reserve education system, which is the responsibility of the federal government, up to the same level as the provincial school system off-reserve and, indeed, the school boards in Toronto and so on. There’s no reason why there should be a gap in the quality of education that’s available in the elementary and high schools between on- and off-reserve.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. I’m afraid your time is up, Mr. Miller. We move to the third party, Madame Gélinas.

**Mme France Gélinas:** Thank you. I think I will continue on the Truth and Reconciliation Commission’s recommendations. When I looked at the budget associated with it, I saw that there was about \$200,000 for the

Gladue principle, and I was wondering: What is that \$200,000 going to be used for, more specifically?

**Hon. David Zimmer:** Just for the benefit of everyone else in the room, the Gladue principle, if you will, is this concept that in the judicial proceeding both the judge and the crown attorney, and indeed the other lawyers involved in the system, when they're dealing with a First Nation offender, should take into account the particular circumstances of First Nation history as a collective piece of history and with respect to the specific person involved in the proceeding, their particular life circumstances leading up to their appearance in court, so—

**M<sup>me</sup> France Gélinas:** I'm fully familiar with what it means; I'm more interested in the \$200,000.

1620

**Hon. David Zimmer:** I'm sorry?

**M<sup>me</sup> France Gélinas:** I'm interested in where the \$200,000 that are referenced in the truth and reconciliation money—they say that \$200,000 will go to the Gladue principle. I just wanted to know what those \$200,000 are going to be used for.

**Hon. David Zimmer:** I'm going to ask the deputy to give you a more detailed answer on where the various amounts within the \$200,000 are spent.

**M<sup>me</sup> France Gélinas:** Good.

**Ms. Deborah Richardson:** Deborah Richardson, deputy minister, indigenous relations and reconciliation.

The idea is to have a summit to look at what the needs are because, typically, what happens is (1) there are not enough Gladue writers, and (2) there's no aftercare. What happens is that the report will be written to support an offender. Then, often, the offender might be struggling with other issues, and it would be better to have somebody with follow-up to make sure to support that offender to follow through on some of those things.

So the whole idea is to have a summit to assess what the next needs are, moving forward. We're actually really lucky on this file, because the assistant deputy attorney general—Kim Murray is her name. She's from Kanesatake; she's Mohawk. She ran Aboriginal Legal Services before coming to the province. She has actually put a lot of thinking into the whole justice component. We're really, really fortunate. She was also the executive director of the Truth and Reconciliation Commission.

Alison, is there anything else that you wanted to add on that? No? That sort of covers it. It's basically that summit to bring together the experts.

**Hon. David Zimmer:** The deputy has touched on something that I think is very important and is a big, big step in the Ontario justice system. One of the recommendations from Mr. Justice Iacobucci's report—he looked into the whole issue. There was a jury selection issue in Thunder Bay. There were juries selected, and the juries were dealing with First Nation offenders, but there were no First Nation persons on the juries. Justice Iacobucci looked into that, and he had a number of recommendations.

An important one was that the Ministry of the Attorney General should create an assistant deputy minister

position—it would be the assistant deputy minister at the Attorney General's office, aboriginal issues division—who could bring a very special perspective to justice matters that the Ministry of the Attorney General dealt with, and could bring that First Nation perspective.

The deputy minister identified the person who holds that position now. That position, I think, was filled six, seven, eight months ago. That has turned out to be a very good appointment because it gives a unique insight for everybody over at MAG—Ministry of the Attorney General—and all the other ministries too.

**M<sup>me</sup> France Gélinas:** Do you have any idea when this summit could be held?

**Hon. David Zimmer:** It is scheduled here in my notes as November of this year—November 16. It's in the planning process.

**M<sup>me</sup> France Gélinas:** And where will it be held?

**Hon. David Zimmer:** That I'm not sure of, but it is going to be held on November 16. The planning folks—does anybody know where it's scheduled to be held? I don't want to guess, but I expect that it will be probably in the north somewhere. But I can let you know when I find out.

**M<sup>me</sup> France Gélinas:** Okay.

**Hon. David Zimmer:** These conferences are typically—Thunder Bay is always a favourite jurisdiction, or Ottawa—Toronto sometimes, or North Bay.

**M<sup>me</sup> France Gélinas:** All right. My next question—

**Hon. David Zimmer:** It might be at the new law school at Lakehead University—not “new” law school. That's another interesting piece because the law school at Lakehead University has a mandate, among other things, to concentrate on First Nation issues as they relate to the justice system. The law school has, just this past June, appointed a new dean. It's the first First Nations dean, Angelique EagleWoman, who has taken the position in June. I went up for the announcement in Thunder Bay. I met her a couple of times in Thunder Bay. She has been down to Toronto, meeting with the law society and meeting with us. She also has some very constructive contributions that she's going to make to these issues.

**M<sup>me</sup> France Gélinas:** My next question has to do with the overall budget of the Ministry of Indigenous Relations and Reconciliation. It's about \$80 million. But the truth and reconciliation implementation across the ministry says \$250 million—way bigger. Obviously, it's not all within your ministry, and I fully understand that, but I want to know what role your ministry will play in the disbursement of these funds. Do you have a say in it? Do you guide it? Or does each ministry make their own recommendations with their own knowledge and skills?

**Hon. David Zimmer:** I'm going to have the finance—

**M<sup>me</sup> France Gélinas:** The person is back? It's always nice to see you.

**Hon. David Zimmer:** The number person.

**Ms. Esther Laquer:** Esther Laquer, acting CEO and director of corporate management for the ministry.

Pardon me, Ms. Gélinas, if you want to just repeat your question for clarity.

**M<sup>me</sup> France Gélinas:** Yes. I understand your total budget is about \$80 million. I also understand that the government has committed \$250 million for truth and reconciliation. I want to know the role that the ministry plays in the disbursement of these funds. Do they go through your ministry? Do you okay them? Do you see them? Do you advise upstream? What is the role?

**Ms. Esther Laquer:** Understood. Within the \$250 million, which is a span of funding that will cover three fiscal years, each ministry that has programs that are part of the overall strategy will receive their own individual funds. The ministries themselves are individually responsible for developing the programs under the broader oversight of our ministry, specifically ADM Pilla, sitting at the end of the table.

Then, once the program details are finalized, there are opportunities for our ministry to make sure that program delivery details and engagement with First Nations as part of that process are coordinated. So there is oversight from the ministry from an engagement perspective and from a policy adherence perspective, but funding does travel to individual ministries.

**M<sup>me</sup> France Gélinas:** Do you know how much money is going to each ministry in which year?

**Ms. Esther Laquer:** At this point in time, the government is still finalizing the disbursement strategy, as ministries finalize their program development details. Once those have been finalized, I expect that a broader announcement will be made.

**M<sup>me</sup> France Gélinas:** Throughout the three years, will you be following up, or is it really that you make sure that the engagement is there upstream and then each ministry flies with their own wings?

**Ms. Esther Laquer:** Through our fiscal monitoring processes, such as our quarterly reports and our annual business planning process, there will likely be a coordination role for our ministry to monitor ministry progress on how funds disbursement is going, then the overall financial monitoring for government expenditures will look at how the overall initiatives and strategies are progressing.

**Hon. David Zimmer:** That's the number piece, but there will also be a political oversight piece: We rely on you to tell us where the money is being spent and how much and so forth and so on. But then there's an overarching ministerial involvement to see if the substance—the end game—of the program is being effective or not. Then we make adjustments in the program and then we turn it back to the financial people to keep an eye on the money.

I'm just going to ask Assistant Deputy Minister Pilla to add any comments that you might have on this.

**Ms. Alison Pilla:** Sure. My name is Alison Pilla. I'm assistant deputy minister for strategic policy and planning in the ministry.

I think Esther has outlined the disbursement-of-funds issue from a policy perspective leading into this process.

We worked together with ministries to think about the recommendations and the calls to action and what the opportunities were for the government in terms of addressing those calls to action.

There was an internal structure set up to work across ministries and that structure continues at various staff working levels from the time of the release of the document until now, and I anticipate that it will continue to occur in terms of our following up with ministries in terms of where they are with their engagement processes, their program design and development.

1630

We also obviously have lots of opportunities in different venues to hear from indigenous partners, and we can hear back if there are opportunities for ministries to hear more about where they need to make changes or consider that input in their programming design.

**M<sup>me</sup> France Gélinas:** So I'm interested in that monitoring—is it quarterly? Who is in charge of it? If there were to be a red flag, who would raise it, especially on the money side?

**Ms. Esther Laquer:** Typically with large investments like this, there is quite a rigorous monitoring process set up. Normally ministries are required to report quarterly on their expenditures and, at the very least, annually through the annual business planning process where the government would expect to see progress and results: key performance indicators and other outcome-type achievements in direct relation to the investments.

**Hon. David Zimmer:** The other piece is that I stay in very close contact with my ministerial colleagues at the other ministries—education, health, justice and so on. We talk about what's working and what's not working. Even more important, or just as important: I, as Minister of Indigenous Relations and Reconciliations, stay in very close touch with First Nation leadership, Chiefs of Ontario, grand chiefs, and so on, as does the deputy minister.

The deputy minister has very close relationships with First Nation leadership. We often will hear back from one of the grand chiefs or the chiefs or other First Nation leaders about a program that is really working well or one that needs to be fine-tuned. We then take that substantive piece and I'll sit down with my ministerial colleagues and adjust things and so on.

Then it's back to the financial oversight, the detailed financial oversight of the program spending. Then Assistant Deputy Minister Pilla's shop kicks in, and we'll suggest different ways of doing things or getting in touch with chiefs, grand chiefs and other leaders to see how these things are playing out on the ground. It's one thing for us to sit here at Queen's Park and devise programs and spend money and so on, but what we want to hear is how it's playing out on the ground. By "on the ground," I mean, "How is it playing out in First Nations communities?"

**M<sup>me</sup> France Gélinas:** Well, that will kind of open the door to my next question. It starts with Grand Chief Isadore Day, of Chiefs of Ontario, who said in a statement, in reaction to the throne speech:

"This throne speech was a critical opportunity to communicate that improving the socio-economic outcomes of First Nations is vital to the overall Ontario economy.... This was not heard today.

"Next year's budget cannot be balanced on the backs of First Nations—we've seen the increase in poverty and despair ... that remains in place despite political promises."

Given what you've just told me, that when you hear from chiefs—and I mean, it's not just a chief, he is Grand Chief Isadore Day—

**Hon. David Zimmer:** Regional Chief.

**M<sup>me</sup> France Gélinas:** When he makes comments like that, what kind of discussions did you have with which one of your colleagues?

**Hon. David Zimmer:** Well, Grand Chief—sorry, Regional Chief Day and I have been working very closely since he became the regional chief and indeed before that. I talk to Regional Chief Day all the time, on a weekly basis—sometimes several times a week. We interact at various meetings throughout the province and, indeed, on occasion, nationally.

**M<sup>me</sup> France Gélinas:** So what did you do after you heard his reaction to the throne speech?

**Hon. David Zimmer:** I'm getting there, okay? The point is that we have a relationship. We have a very frank relationship, and he will call me personally. He calls the deputy minister personally. He's in and out of your office as often as he is in and out of my office. So the regional chief expressed his comments with respect to the throne speech, and we have sat down and we are taking his reaction into account.

We are also taking other reactions into account that have suggested things that we're doing well, things that we can do better. But the point is that we've got the relationships in place, and they are candid relationships. You have no idea how frankly—and I mean that in a positive sense, in the best sense of the word—all the chiefs, the grand chiefs and other leaders within the First Nations community feel that they can speak to me and to the deputy and to the assistant deputies.

**The Chair (Ms. Cheri DiNovo):** Madame Gélinas, you have three minutes left.

**Hon. David Zimmer:** I'm going to ask the deputy minister to give you her reaction to the relationship with Regional Chief Day and, indeed, the other First Nations leadership, when they raise an issue with us.

**M<sup>me</sup> France Gélinas:** I'm not that interested in the relationship you have. I'm more interested as to: What actions did you take?

**Hon. David Zimmer:** Well, the first step to taking action is to—the throne speech is, what, two weeks old, I think? Two weeks old. Regional Chief Day has raised some issues. We have been sitting down in the last week and a half or so and having conversations. We will get to a good place on this.

Deputy, do you want to add anything?

**Ms. Deborah Richardson:** There have been a lot of announcements since February. Having worked very

closely with Regional Chief Day and other indigenous leaders in the province, whether it's on the northern First Nations Health Action Plan, working closely with Grand Chief Fiddler and Grand Chief Solomon; or The Journey Together, which was collective with everybody; and then Walking Together, which is the long-term strategy to end violence against indigenous women and girls, which was across government, I think now we really are in a big implementation mode. You rightfully pointed out that it's a lot of money. We need to make sure there are performance measures in place, there's accountability in place on all those different pieces—and ultimately make sure that it makes a difference on the ground for people and families. So that's the big focus.

But the other, bigger piece—and it wasn't part of The Journey Together—is also the resource-revenue sharing and having conversations and figuring out what the path forward is for that. We have a lot of different conversations that are under way, whether it's climate change—or supporting other ministries on facilitating those conversations. So there's still a very big agenda. Our mandate laid out all the things that we've done, and going forward.

In terms of Regional Chief Day's comments on the speech from the throne, I can't specifically comment on that, because I have not had a conversation with him about his views on that.

**The Chair (Ms. Cheri DiNovo):** I'm afraid you've got about 10 seconds left to wrap up.

**M<sup>me</sup> France Gélinas:** I'll keep them for later.

**The Chair (Ms. Cheri DiNovo):** Okay. Moving on to the government side: Ms. Kiwala.

**Ms. Sophie Kiwala:** Thank you, Madam Chair. The first thing I would like to focus on today is the various initiatives that we, as a government, have brought forward for indigenous youth.

Before I begin, I do want to make a comment, for the public record, on how pleased I was that I had the opportunity to be appointed as your parliamentary assistant, as well as to the Minister of Children and Youth Services. I think that that double appointment is indicative of the interest that our Premier and our government has in those two subject areas. I think that that is an important thing to note.

But I just wanted to refer to some statistics, some of which have already been mentioned. I think that there are a number of statistics that we should be talking about. Most of the statistics mentioned will be from the Stats Canada 2011 national household survey.

**1640**

Approximately 34% of indigenous people in Ontario are under the age of 20. This was something that was certainly notable in the three trips that I have made now to indigenous communities in Northern Ontario. That compares to 24% of the non-indigenous population. The national household survey also reports that roughly 30% of the indigenous population in Ontario does not have a certificate, diploma or degree. I do believe, however, that there has been a bit of an improvement in that rate between 2006 and 2011, which is a positive thing. The

high school completion rate for on-reserve indigenous people from the ages of 15 to 24 years old is 30%, compared to 50% of the off-reserve indigenous population.

Indigenous youth are—and this is something that's well documented and mentioned in numerous places in this Legislature—one of the fastest-growing population groups in Ontario. Yet—and this has already been addressed by MPP Miller—there are significant outcome and achievement gaps. We know that closing those gaps is critical, and it's a very necessary step that we need to take and that we are very serious about.

Improving the outcomes for indigenous youth can lead to greater sustainability of the health and social service systems; it will reduce the overall need for care throughout their lifetimes and will contribute positively to Ontario's overall socio-economic state. I know that this is a priority for you, Minister, and I know that it's a priority for our government and the Premier.

We have been talking about—I'm pleased to see that The Journey Together is being explored at some length in this committee; I think it's an excellent document. We announced, through that document, better outcomes for indigenous youth and initiatives to support that and family well-being, and also to expand life promotion and explore crisis support systems.

Minister, you've said yourself that there's no reason why there should be a gap between on- and off-reserve indigenous groups with respect to education. This is certainly something that I'm also anxious to see worked on. I'm glad to see the direction that we are going in. They are all good steps.

I also understand that our government supports Right to Play. When I was in the Ministry of Tourism, Culture and Sport, this was something that was very, very much discussed with many of the different groups, in particular the indigenous groups that were involved in the planning of the Pan and Parapan Am Games. There was a lot of support for that initiative. I think that we need to continue to help create those opportunities for indigenous youth to participate in sport and recreation activities, which will improve their overall health and fitness. Today, Right to Play runs the PLAY Program in about 50 First Nations communities across Ontario, which is fantastic. It's a remarkable increase since it first started with the pilot projects in Moose Cree First Nation and Sandy Lake First Nation back in 2010. It was certainly something where you could see a difference in the community when you're driving through these communities and seeing playgrounds and places for children to play and just be children doing normal things that children do. It was certainly very refreshing to see in some of those communities.

Specifically, I'm wondering if you can tell the committee what steps Ontario is taking to support initiatives focused on improving outcomes for indigenous children and youth. You've elaborated on some of them already, but I'm wondering if there are other features or initiatives that you can add to the discussion today on that.

**Hon. David Zimmer:** Thank you very much for that question. You're quite right. It's not by accident that the

parliamentary assistant, MPP Kiwala, serves as the parliamentary assistant to the Minister of Indigenous Relations and Reconciliation and as parliamentary assistant to the Minister of Children and Youth Services.

We see such a link with what we are doing on First Nation issues, especially as it relates to children and youth, that we wanted to have a really direct tie-in to what goes on at the Ministry of Children and Youth Services, and Member Kiwala serves as that bridge. She's very busy. Some days she's doing Ministry of Indigenous Relations and Reconciliation work and later the same day or the next day she's doing children and youth services work.

Before you got into politics, I know you had a background in that area, not only in Ontario and Canada but in other parts of the world. I think in Africa and France, I believe—

**Ms. Sophie Kiwala:** Turkey and France.

**Hon. David Zimmer:** Turkey—an extensive background in that, so it serves us well.

If I turn to page 20 of The Journey Together—that's Ontario's response to the Truth and Reconciliation Commission report. Keep in mind that the truth and reconciliation report was released about a year ago, and it took the province about six months to get this document ready. That's how keen we were as a province and as a ministry to respond to the TRC report.

The TRC report says at page 3 of volume 4, with respect to children and youth, "The legacy of the schools continues to this day. It is reflected in the significant educational, income and health disparities between aboriginal people and other Canadians—disparities that condemn many aboriginal people to shorter, poorer and more troubled lives."

Then, on the page opposite, is the Ontario response under the closing the gap piece. It's not by mistake that the first thing you see there is the reference that Ms. Kiwala just made to the population demographics in bold numbers: 42% of the indigenous population is under 24 years old. The source for that is the national household survey in 2011. That's five years ago. If anything, the percentage is even higher.

When we share that demographic with people, they're surprised—taken aback—that the First Nation youth population is the leading demographic. It cries out for action for all the right substantive reasons, but it cries out for immediate action just because of the demographics, and of course because it's the right thing to do.

What I want to do is tell you quite specifically about some of the actions we're taking. There is a fund called the Youth Opportunities Fund. It's an example where Ontario is investing in really meaningful opportunities for indigenous youth to help them succeed. There are a number of indigenous-specific programs that were funded and announced in April 2016. That's almost the same time this document was released. I just want to walk you through a number of them with the specific dollar amounts and what they do.

For instance, Six Nations Polytechnic—and I don't know if any of you have had a chance to go over and visit

the Six Nations Polytechnic, but it is a model of what a first-class education polytechnic should look like. It has joint programs within the polytechnic. It has joint programs with McMaster University, and I believe it's working on some joint programs with the University of Waterloo, but I stand to be corrected on that piece.

Six Nations Polytechnic—I was over there a while ago with Minister Moridi when he was Minister of Training, Colleges and Universities. We announced \$900,000 over four years to systematize opportunities for indigenous education and learning for First Nation youth by launching youth ambassador models for First Nation youth ages 13 through 24. The idea there was to strengthen cultural resilience, cultural identity and self-confidence. Six Nations Polytechnic is one of the places where they are teaching First Nation languages. I believe it's Ojibway and Cree?

**1650**

**Ms. Deborah Richardson:** Also the Mohawk languages.

**Hon. David Zimmer:** Yes, and Mohawk languages. There is another program where we've put in \$210,000 over three years, to engage young people, for instance, to design and maintain greenhouse structures. That's within the Anishinabek community in the north.

At the Fort Albany youth council, through the Fort Albany First Nation, \$210,000 over three years for empowerment workshops, life skills training, camp retreats and various other supports for indigenous youth in Fort Albany First Nation. That initiative is particularly structured to increase the confidence and the self-esteem, because what we have found going into some of these schools and dealing with some of the young students is that if they're lacking in self-esteem, it translates into a lack of self-confidence and a reluctance or sometimes even an inability to really benefit from what's on offer in terms of the curricula.

There is another program that's being handled through the MoCreebec youth council, the MoCreebec First Nation. That program is entitled Regaining Cultural Identity. We've got \$140,000 over two years to quite formally implement a youth council in the community of MoCreebec First Nation and create a number of other opportunities for youth in meaningful ways.

With respect to Sachigo Lake Healing Centre, there's a program, Regaining Cultural Identity. We've got \$210,000 over three years to provide various supports and, really importantly, mentorships. Mentorships are so important. Role models are important to young people, wherever they are. If there are the right role models in place, a child or a 12-year-old or a high school student can attach to a mentor—"I want to be like that person." That's a very good thing to happen. Frankly, within the education system there has been a shortage of available mentors. We have found that the mentorship program is hugely successful.

There's a program entitled Under the Husk. That's operated through the Onake Corp. That's \$400,000 over two years to expand something called a "rites of passage

initiative" for the Haudenosaunee youth who are facing particular challenges, in order to provide year-round support, skill-building and community-connecting in Akwesasne. We'll share that initiative with other Haudenosaunee communities across Ontario.

There is a program that's operated through the Aboriginal Sport and Wellness Council of Ontario: \$70,000 for one year to provide access—and this one is really quite important. It sort of ties into a question I took in the House this morning. There was an announcement this past number of months at the city of Toronto, at York University and over in Hamilton with McMaster University on the North American Indigenous Games. I think I referenced that there would be 14 sports and many First Nations participating in it. But the Aboriginal Sport and Wellness Council—\$70,000 over a year to provide professional sports and fitness training to athletically inclined First Nation youth in remote and underserved communities. That's the challenge: How do you provide specific, very skilled sport training models in the remote communities? Well, this program is entitled to fund that.

**The Chair (Ms. Cheri DiNovo):** Minister, you have about three minutes left.

**Hon. David Zimmer:** Through the Ontario Federation of Indigenous Friendship Centres—and I spoke about that the other day. There are about 30 around Ontario in cities small and large.

There's the Native Youth Sexual Health Network. They're getting \$400,000 over four years. They're going to work with indigenous youth to mentor young leaders and create sustainable resources, and provide information about personal health, community health and all of those things that are available in the urban centres around sexual health and so on.

With respect to the Inuit community, they're receiving \$210,000 over three years. They're going to create a space for Inuit youth here in Toronto to learn more about Inuk identity.

I'll stop there.

**The Chair (Ms. Cheri DiNovo):** You have two minutes left.

**Hon. David Zimmer:** Well, I don't want to put MPP Kiwala on the spot, but I will just thank her once again for serving as the PA to double ministries. She's busier than you can imagine.

With respect, I'll just come back to Gladue. You asked; I said it was in November. I now have the latest information. It's going to be November 28 to November 30 in Thunder Bay. There will be, so far, 100 members of the justice sector in attendance. So that's under way. As we flesh out the detailed agenda, and speakers and so on, I assume that will be available on a website somewhere. But it's November 28 to 30, Thunder Bay; 100 justice sector workers dealing with the Gladue issue.

**The Chair (Ms. Cheri DiNovo):** We now move to the official opposition: Mr. Miller.

**Mr. Norm Miller:** Thank you, Madam Chair.

I'd like to start from your book, *The Journey Together: Ontario's Commitment to Reconciliation with*

Indigenous Peoples. On page 13, you talk about creating a culturally relevant and responsive justice system: "We will improve the justice system for indigenous people by closing service gaps and ensuring the development and availability of community-led restorative justice programs."

Last December, I had an opportunity to tour the Thunder Bay jail. First of all, my impression of the jail was that the jail itself should be closed. It kind of feels like you're going back about 100 years when you actually tour the facility. The week before they had had a lockdown with a very serious incident at the jail itself, but in touring it, certainly my impression of it was—as I say, my first reaction was that it should be closed. I couldn't believe that something like that exists in the province of Ontario. It's very overcrowded.

My other impression was, and I don't know the exact percentage, but I would guess at least 80% of the people incarcerated in that facility were indigenous people. Obviously, indigenous people are greatly overrepresented in the justice system. I assume that's why this bullet point is here. If you could talk about how, over time, that might change for the benefit of all, I would appreciate it.

**Hon. David Zimmer:** Thank you very much for that question: As you know, Mr. Miller, there were a number of questions in the House directed to Minister Naqvi when he was the Minister of Community Safety and Correctional Services, some of those specific to the Thunder Bay situation. There have now been some questions going to Minister Orazietti, who is the new Minister of Community Safety and Correctional Services.

1700

I appreciate your comments about the situation in the Thunder Bay detention centre, as does Minister Orazietti. I would specifically direct you to speak to Minister Orazietti about the detailed plan to address the situation in the Thunder Bay detention centre. I know it has come up in question period a number of times.

Having said that, let me say that the Ontario government is taking a number of steps to address overrepresentation of indigenous people in the criminal court system. Here are some examples. The Ontario Aboriginal Court Worker Program provides critical court worker services in 49 criminal and family courts specifically to help indigenous persons navigate the justice system. One of the ideas is, if at all possible, you want to keep a person out of a detention centre in the first place. So that's one initiative, and then—

**Mr. Norm Miller:** I would say that's the most important—

**Hon. David Zimmer:** That's the most important; it's part two. Unfortunately, if one does end up in detention, you want it to be in a satisfactory facility. Minister Orazietti will be addressing that issue.

The Ministry of the Attorney General is going to expand the Aboriginal Court Worker Program that I just referenced a few minutes ago. That expansion of the program is going to start later this year, 2016, and on into 2017.

I want to make it clear that the application of the Gladue principles in all Ontario courts, whether they're in the south, the east, the west or the north, is important in addressing this issue of the overrepresentation of indigenous persons in the criminal justice system. So it's back to the comment that you just made a minute or so ago, Mr. Miller, that the most important thing or the place to start is keeping people out of the justice system. If they do find themselves in the justice system, find some way to keep them out of the detention facilities and, God forbid, if they end up in a detention facility, that it is a reasonable facility. So it's three-pronged.

**Mr. Norm Miller:** For those who might not know what the Gladue principles are, could you explain that, please?

**Hon. David Zimmer:** Yes. I think I touched on that in answer to a question from MPP Gélinas.

The Gladue principle—I'll simplify it a bit—says to the justice system, be it the judge or the crown attorney or indeed the defence lawyers and everybody involved in the system, that when you are dealing with an indigenous person, either the decision to investigate, the decision to proceed with an investigation and lay a charge, if you will—if the charge is laid, the indigenous person ends up in the court system and the court system has to deal with it and the court system has to dispose of the case.

Across that spectrum, the justice system is supposed to take into account the special history and circumstances that indigenous peoples have faced over the last two centuries as a collective, and then also look at the specific circumstances of that individual who is right there in the body of the court or in the justice system somehow, to look at their particular circumstances and keep that in mind when the case is being dealt with.

I'm not saying that people are treated differentially. Justice is blind, as they say. Having said that, the background of an accused person or persons in the justice system has to be taken into account. That same background is taken into account when non-indigenous persons are in the justice system, but it's particularly important when an indigenous person finds themselves caught up in the justice system. That's the Gladue principle. And it's a decision of the Supreme Court of Canada; a case wound its way through the system, and the Supreme Court of Canada issued that decision. Under our principles and laws, stare decisis and so on, the courts and the justice system are bound to the fallout. So that's why we are making an investment over the three years that I referenced earlier to increase the number of Gladue report-writers and Gladue aftercare workers.

How this system actually works: An indigenous person is caught up in the system—and a Gladue report-writer is someone who will sit down and, if you will, look into the circumstances of that person caught up in the justice system and write an objective report. The person writing the report is a person who is knowledgeable, skilled, sensitive, objective and all of those things. They will write a report, which is presented to the judge and the lawyers and so on. Then a decision is taken on how to dispose of the case.

The other important thing is that there's something called a Gladue aftercare worker. Often, the court will have some idea of how to deal with the person before the court. It's not just enough to say, "Okay, this is the decision, so go off and do this or do that"; they need some follow-up, some close mentoring. The aftercare worker keeps an eye on the person after they leave the justice system to make sure that the recommendations or the decision on how to dispose of the case are followed up on, so the person is not sort of abandoned.

Over at the Ministry of the Attorney General, they're doing a pilot on indigenous bail and a remand program. The Attorney General's ministry is doing that in eight communities in Ontario. The idea here is to provide alternatives to remanding an accused into custody and to help reduce breaches of bail conditions.

Somebody is caught up in the justice system and the case is going to take a while to be disposed of. If we can keep the person out of jail, pending suitable bail and other things, so they're not ending up in the Thunder Bay facility, that's good. Then, part of that program is, if a person is released, you don't want the individual to fall into a situation where they find themselves in breach of their bail conditions and they're back in the system, and it's a revolving wheel. We have a plan to follow up with these individuals to help ensure that they don't breach those bail conditions and end up back in the system.

We're also providing some additional funding to Ontario's—in Ontario, there are now nine indigenous community justice programs. We're going to increase access to pre-charge and post-charge diversion programs and a restorative justice program. Not all reasons for someone ending up in a court—be they indigenous, be they not indigenous, but particularly indigenous persons who end up in a court system—require the full hammer of the law, so to speak. There are other ways to deal with these situations, particularly with younger offenders.

The Ministry of the Attorney General is also exploring new approaches for collaboration by working with various indigenous organizations, leadership and their communities to revitalize and reclaim indigenous laws, because a lot of these matters that the individuals find themselves in front of the court on can be dealt with—there's a rich tradition of indigenous law, if you will. Long before western Europeans were here, indigenous communities, First Nations, had a way of dealing with people in the First Nation who had issues. There are a number of lessons to be learned from that traditional knowledge and that traditional approach. The same way that, on environmental issues, we look into the traditional ecological knowledge of First Nations, we should also look into traditional knowledge in the way First Nations have dealt with a lot of these lesser offences and so on.

1710

**Mr. Norm Miller:** I'm sure part of the root of the problem as to why a lot of indigenous people end up on the wrong side of the law is because of, especially in some of the remote reserves, the drug, alcohol and substance abuse that is rampant in a lot of those commun-

ties. Does your ministry, with other ministries—I would assume maybe the Ministry of Health—try to deal with that epidemic, especially in many of the very remote indigenous communities?

**Hon. David Zimmer:** We do what we can to address this issue, but a lot of these on-reserve issues that you've just referenced, with respect to drugs and so on, are a federal responsibility. But, having said that, over the course of the last number of days, I've walked you through a number of programs that Ontario provides both on-reserve and off-reserve in working with our federal partner to get to the root causes. A lot of these programs come through the Ministry of Health, the Ministry of Children and Youth Services and so on.

I can tell you that First Nation leadership takes these issues very, very seriously. I have, every time I've talked with leadership of a First Nation, be it the chief or the grand chief or other community leaders—this is an issue that they have stepped up to the plate on in the sense of, if it is a problem—and it is not a problem in all First Nations. So let us not make categorical, sweeping statements. Like any other community, there are more or less—it can be an issue in some and not others.

But let me tell you—

**Mr. Norm Miller:** Sorry. Some of the ones that are prescription drugs—I'm no expert on it, but I hear a lot about fentanyl these days, or oxycodone a year or two ago. Is there a provincial role in terms of how they are regulated?

**Hon. David Zimmer:** The Minister of Health, Minister Hoskins, is very concerned about this prescription drug issue in Ontario, and he's concerned about off-reserve and on-reserve. It's an issue across the province that needs addressing. I'm just going to make my comments deal with the First Nation aspect of it, to the extent that it becomes an issue for First Nations.

Let me tell you an anecdote that will demonstrate how seriously—

**The Chair (Ms. Cheri DiNovo):** Mr. Miller, you have four minutes left.

**Hon. David Zimmer:** Four minutes—how seriously First Nation leadership takes this issue and wants to work with their First Nations members. They want to work with the province; they want to work with the federal government; they want to work with the health people; they want to work with the justice people to deal with this.

About a year and a half ago, I was at a remote fly-in, way up—I won't name the First Nation, but it was way up. We got off our plane and started to go off to our meeting, and another small plane landed just behind us, one of these eight-seater, nine-seater or 10-seater things. As the people got off the plane, there was an elder at the foot of the steps with a couple of younger community members, and they checked the carry-off luggage of people getting off the plane. They were looking for alcohol and drugs. I saw with my own eyes the elder directing the younger persons with him, "Check this. Check that. Check that." I saw with my own eyes stuff

recovered that the First Nation did not want on the First Nation. That's how seriously they take it.

So with the involvement of the First Nation leadership of the respective communities in partnership with my ministry and in partnership with the other ministries—health and justice and so on—and the federal government, we are tackling this issue, as we are attacking the issue in other parts of Ontario.

**The Chair (Ms. Cheri DiNovo):** Two minutes.

**Mr. Norm Miller:** Okay. There won't be time to deal with this issue, but it's related. Mental health issues and the suicide crisis that was happening on some of the remote First Nations: Does the ministry have a response to that terrible situation?

**Hon. David Zimmer:** It's particularly endemic with young First Nation members. The First Nation leadership recognize this is an issue, we recognize that it's an issue and the youth themselves recognize that it's an issue.

An interesting thing happened a couple of months ago. We sat down with an organization of First Nation youth. They asked us to stop using the reference "suicide prevention." They didn't like the word "suicide," and I'd never thought of that. They said, "We use the word 'suicide' and it gets out there and people think suicide," and then there's copycat stuff and so forth and so on. They said, "Would you please"—and this was an insight from the young people themselves—"not use the expression 'suicide prevention?' Let's use the expression 'life promotion.' Put it on a positive basis."

I thought about that afterwards. When you sit down and you talk about suicide and you keep using the word "suicide," the weight of it just drags you down. On the other hand, if you sit down with those same persons and talk about life promotion, it's kind of an elevating conversation. It leads to ambitious undertakings and so on. I was very touched by that insight.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. Mr. Miller, your time is up. We now move to the third party. Madame Gélinas.

**Mme France Gélinas:** Thank you.

*Interjection.*

**The Chair (Ms. Cheri DiNovo):** It's her time now, Minister.

**Hon. David Zimmer:** Yes. Would you mind if I took about a 90-second break?

**Mme France Gélinas:** You need a break break? Yes, we can break.

**Hon. David Zimmer:** I just want to—well, I don't want to get into details.

*Laughter.*

**Interjection:** Please don't.

**The Chair (Ms. Cheri DiNovo):** We'll take a five-minute break. We'll recess for five minutes and come back.

*The committee recessed from 1718 to 1723.*

**The Chair (Ms. Cheri DiNovo):** I hope everyone is refreshed. We will now go to Madame Gélinas, third party.

**Mme France Gélinas:** I think that was a very good idea, and everyone appreciated it. Thank you.

**Hon. David Zimmer:** Thank you.

**Mme France Gélinas:** My first question is a question that I have talked about before, and it has to do with the Métis Nation. You remember that there has been this report that was done to find people of Métis heritage in my neck of the woods, mainly around the French River and Sturgeon Falls areas. The people of francophone heritage were really worried that the study that was done only looked at anglophone families that had aboriginal heritage. I was told at the time that that was just the first part of the report and that the second part of the report would be looking at both. So my first question is: Where is that at?

**Hon. David Zimmer:** I'm going to ask Assistant Deputy Minister Alison Pilla to answer your question. She has particular responsibility or oversight or knowledge of that issue.

**Mme France Gélinas:** Perfect.

**Ms. Alison Pilla:** Alison Pilla, ADM for strategic policy. I'm actually going to say on that one, I'm going to—we've been doing some work with the Métis Nation of Ontario, using published reports that are already there around history and genealogy and looking into activities that were going on across Ontario that might help shed some light on where Métis communities are and where they've been historically. So we've been engaged in some of that work across the province.

A lot of that original work was done around the time of the Supreme Court case around Powley. We're using that as a first step to look at the history across the province and, as I said, where we can determine that there are historic Métis communities.

On that particular issue, around which particular families were part of the research, I'm going to have to get back to you, because I don't have the details of the individual reports with me. But we can do that.

**Mme France Gélinas:** Has your ministry undergone any research of their own, or do they really do literature reviews of what already exists? Have you done any of your own research?

**Ms. Alison Pilla:** It's a bit of a mixed bag on that one. As I said, there's a lot of public information that was generated as part of the court case around Powley, so we've relied on that extensively for some of the areas in the province. In some other areas, there was less information available that we could rely on, or we've made some determinations that there were gaps in the historical research.

We have, in a couple of instances, commissioned some research. We don't have the right kinds of resources in the ministry to actually undertake the historical research ourselves, but we have worked in a couple of areas to commission some research to fill in the gaps in our knowledge. We did some work with the federal government around the Mattawa area in terms of research there, and we're currently looking to do some work just around the Saugeen area as well. That work is at a very

preliminary stage, so we certainly haven't, by any means, completed that yet; we're just at the start of that process.

Mostly we've relied on what was there. We've done the occasional outreach to get some extra historical information.

**M<sup>me</sup> France Gélinas:** The work that was done by the federal government around the Mattawa area—is this work that is available, as in, can you share that with us?

**Ms. Alison Pilla:** It's pretty detailed historical research and that actually wasn't done in my area, so—

**Hon. David Zimmer:** The federal government did that research, so you might want to raise that issue with your federal counterpart up your way, Charlie Angus.

**M<sup>me</sup> France Gélinas:** I was just curious to see what was shared with the provincial government because of the understanding that your ministry has with the Métis Nation.

**Hon. David Zimmer:** I can tell you that I've had a few meetings now—I think three or four—with the new president of the Métis Nation of Ontario, Margaret Froh. In fact, just last week was the annual meeting of the Métis Nation of Ontario's president and their other senior leadership with me, in my capacity of Minister of Indigenous Relations and Reconciliation, and the Premier.

1730

This issue of Métis identification, if you will, is high on Margaret Froh's agenda, as it was with former president Gary Lipinski. But largely it's an issue that the criteria are something that Métis Nation of Ontario internally is working on. It's sort of a matrix that they want—someone who is deciding whether they're Métis or not, or fit the definition. But we are working—

**M<sup>me</sup> France Gélinas:** I'm not interested in the definition at this point. I'm interested in: What is the historical data that exists that people can gain access to through the provincial government?

**Hon. David Zimmer:** What I think you should do—it's a view, but I would give Métis Nation of Ontario President Margaret Froh's office a call because they are working very hard on gathering this information and working up a matrix to deal with this.

**M<sup>me</sup> France Gélinas:** I have no problem working with the Métis Nation of Ontario, but I'm more interested in knowing if there's any resource that the provincial government has available that they can share with me.

*Interjection.*

**Hon. David Zimmer:** I'm sorry, no. All that information essentially resides in the custody and control and the offices of the Métis Nation of Ontario. But I am sure that—while I can't speak for her—I'd be surprised if President Froh did not want to share that information.

Alison?

**Ms. Alison Pilla:** I'm Alison Pilla, ADM. I've got a clarification. I just wasn't sure what the status of that report is. The Mattawa report is public. It's actually published on the MNO website, staff is telling me. You can go there and find that research report.

**M<sup>me</sup> France Gélinas:** What is it called?

**Ms. Alison Pilla:** It's done by a group called Stonecircle; that was the researcher. So it's Stonecircle research on Mattawa. I don't have the exact title, but we can get that for you. I'm sure it's pretty accessible on the website.

**M<sup>me</sup> France Gélinas:** Thank you.

**Hon. David Zimmer:** The MNO does have a very good website, for obvious reasons: because they want to reach out to Métis throughout Ontario.

**M<sup>me</sup> France Gélinas:** Is there any intention from your ministry to undertake further historical research, specifically about francophones in that area?

**Hon. David Zimmer:** No. We leave that exercise, if you will, to the Métis Nation of Ontario. They have their approach and their sense of what they're looking for in the information. Of course, we will support them however we reasonably can in that pursuit. But that activity, if you will, is done internally by the Métis Nation of Ontario.

**M<sup>me</sup> France Gélinas:** So the provincial government never does work in that area?

**Hon. David Zimmer:** No, the Métis Nation of Ontario.

**Ms. Alison Pilla:** I'll just clarify. That piece of work was outsourced, but it was funded by the federal and the provincial government together. The Métis Nation was part of the group that determined how to help structure that research. They had to do the outsourcing on that. We were involved to that extent, but as I said, we're not the ones actually going out and doing the research. Of course, we help set the parameters for that research. My understanding was that that was fairly comprehensive research. It was to look for the existence of Métis families historically in that area. It wasn't restricted, as I understand it—it wasn't my area at the time—to Métis families who were part-English and part-indigenous, at the time. It was to look at Métis communities more generally and to look at where they were on the land and what they were doing and how they had formed a community at the time.

But my understanding is that it wasn't restricted. It may have been influenced by the particular types of people who were on the land at the time. It's not my understanding that there were any restrictions there.

**Hon. David Zimmer:** The bigger point here is that this exercise is led in-house, if you will, by the Métis Nation of Ontario. We try to be as constructive as we can in whatever help that we can provide, but the initiative and the drive and so on comes from the Métis nation.

**M<sup>me</sup> France Gélinas:** But paid for by the federal and provincial governments?

**Hon. David Zimmer:** For the Mattawa piece.

**M<sup>me</sup> France Gélinas:** Okay. Just to let you know, there is discontent about this report coming from my area, mainly because the influence of the federal government was to really take a Canadian look. Basically, they looked at a lot of Scottish-heritage and English-heritage families who settled in that area, to the exclusion of francophone families who did not cross boundaries into

further west or east. I was just putting it on your radar that there is discontent out there with this report.

**Hon. David Zimmer:** Thank you. I've heard that.

**M<sup>me</sup> France Gélinas:** I'm glad that you've heard it. I'm hoping that it will lead to action, and the action that they're hoping for is that you will provide the financing, the same way you did for Mattawa, to look at more of the French-heritage Métis—not as much in Mattawa but more towards Sturgeon Falls and the French River area.

**Hon. David Zimmer:** Of course, the issue becomes even more pointed, if you will, following the recent Daniels decision. Within the Métis nation, there is a huge interest in this issue. In my experience, once there is a big interest in an issue, things tend to happen.

**M<sup>me</sup> France Gélinas:** Good. Would your ministry be open, if MNO came forward, to look at funding? Are there resources within your ministry to fund that piece of research that seems to be missing?

**Hon. David Zimmer:** That's a conversation I know that President Margaret Froh wants to engage on. One of my responsibilities is to build the relationships and reach out and understand and work with, in this case, the Métis Nation of Ontario. I look forward to that conversation with President Froh. I'm sure she has some ideas that she wants to pursue.

**M<sup>me</sup> France Gélinas:** Okay. I'm moving on to something that is unrelated, but I wanted to make sure that I got an answer before moving on.

First of all, I really like your change of name. I think this is a good decision in the right direction. I was just wondering: How much did it cost to do a name change for your ministry?

**Hon. David Zimmer:** I got new business cards, so I suppose that cost something. But this is an answer that our financial person has got right down to the penny. My business cards—I'm just making it up—cost \$9.86. I just made that up. But go ahead.

**M<sup>me</sup> France Gélinas:** Let's see if she concurs.

*Laughter.*

**Ms. Esther Laquer:** Probably not to the penny. What I can tell you is that costs were very minimal. Costs would cover things like changing the signage, so that the public and guests can find our offices, and changing all the electronic templates that the ministry uses to correspond to the new name changes. Staff, of course, particularly senior executives, would need to update their business cards, which is all done through our shared services, again, in a very cost-effective way; the government prints its own business cards.

So that's the extent of the costs associated with the name change. I don't have the exact figure with me but I think it's probably safe to say it was under \$25,000.

1740

**Hon. David Zimmer:** And that includes the name change on my office door.

**Ms. Esther Laquer:** Correct.

**The Chair (Ms. Cheri DiNovo):** Madame Gélinas, you have four minutes.

**M<sup>me</sup> France Gélinas:** Wow, it goes by fast. Okay, my next question has to do with land claims and settlements. In the estimates for 2016-17, it says that your ministry will be collaborating with the elected band council and Haldimand county on developing an economic plan for the formerly contested Douglas Creek Estates that would provide a one-window approach to Six Nations access in business.

How much has been set aside—I'm interested in money again—for this, how much has been spent for this to happen, and how much has been done?

**Hon. David Zimmer:** I'll give a more general answer afterwards, but the specific numbers in the estimates—go ahead.

**Ms. Esther Laquer:** Funding for projects related to the Six Nations community are funded through our Six Nations community negotiations fund. For the 2016-17 fiscal year, the ministry has allocated \$3.2 million. It's anticipated that costs related to that proposal would be funded through there.

**M<sup>me</sup> France Gélinas:** How much does this one-window approach project, if you want to call it—how much will that cost?

**Ms. Esther Laquer:** I'm going to let ADM Batise speak to specific project-level details.

**M<sup>me</sup> France Gélinas:** Okay.

**Hon. David Zimmer:** Yes, Assistant Deputy Minister Shawn Batise. He's with the negotiations branch. He's right into this issue.

**Mr. Shawn Batise:** Right into it. Thank you. Assistant Deputy Ministry Shawn Batise from MIRR. On the costing of the one-window approach, we're not that far advanced yet. We've still got to flesh out many details to work with the elected councilmen through the community initiatives branch at MIRR. Once we have that information, we'll make it available through CIB.

**M<sup>me</sup> France Gélinas:** How far along are you in those negotiations toward the one-window?

**Mr. Shawn Batise:** I would say we've had some very preliminary discussions with the elected council at this point in time. There are a couple of other priority issues that we're working through at this point in time. Also, as you may or may not be aware, the elected chief and council do have an election coming up in mid-November, so the Ontario government has an effect on their ability to do business going forward. Things are stalled somewhat at the moment.

**M<sup>me</sup> France Gélinas:** The province also reached an agreement on the related Avalon property claim earlier this year, similar to Douglas Creek with the Six Nations. What has the government committed to this claim, to this settlement, money-wise?

**Hon. David Zimmer:** Sorry, ask me that question again.

**M<sup>me</sup> France Gélinas:** The Avalon properties, the settlement—how much?

**Hon. David Zimmer:** I'm not sure what you're referencing. Just give us a second.

**M<sup>me</sup> France Gélinas:** The Avalon properties.

**Hon. David Zimmer:** Does it have another name?

**M<sup>me</sup> France Gélinas:** It doesn't ring a bell with anybody?

**The Chair (Ms. Cheri DiNovo):** I wonder—we're almost out of time—if the minister and staff could maybe get back to you on that, Madame Gélinas?

**M<sup>me</sup> France Gélinas:** Sure.

**The Chair (Ms. Cheri DiNovo):** We're just at time.

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Ms. Cheri DiNovo):** We now move to the government side: Ms. Kiwala.

**Ms. Sophie Kiwala:** I'm going to continue my line of questioning about children and youth, and I'm going to jump right in without preamble, you'll be pleased to hear, or some might be pleased to hear. I'm wondering if you can give us an update on the current status of the Ontario Indigenous Children and Youth Strategy.

**Hon. David Zimmer:** That's a very important question. Indigenous partners were instrumental in the co-development of the policy—again, I want to emphasize “instrumental in the co-development of the policy,” because so many things have happened in the past where it has been top-down. We are trying to make it a bottom-up, or a level playing field. This is the important news here.

As you know, your ministry, MCYS, has engaged a little over 400 participants. Those participants varied from community members, service providers, front-line staff and other representatives from about 150 indigenous agencies and organizations that provide various supports for indigenous youth, and children and their families. I believe, as of April 2015, that the Ministry of Children and Youth Services has also engaged another 500 communities from across Ontario.

As you know, in the winter of 2015, the Ministry of Children and Youth Services hosted a leadership round table with indigenous partners, where partners reviewed the strategy—a great conversation about the strategy—and then, I'm happy to say, endorsed the strategy. Again, it was a bottom-up exercise, if you will, so we got the best possible strategy developed from people who actually know what's going on, on the ground.

Indigenous partners continue to be actively involved in the first phase of the implementation of that strategy that I've just referenced. There is a special focus on transforming the way that the services themselves are designed—so we have the design of the service and then we have the delivery of the service. After they do their very good work on designing the services, then the strategy moves into how that service that they've just worked through the design piece on should be delivered, and then, how that strategy should govern, affect, influence or oversee indigenous children, youth and their families.

We worked very hard across government, your ministry, the Ministry of Indigenous Relations and Reconciliation and other relevant ministries, to build this—and I want to emphasize again—community-driven strategy. We wanted to make sure that it was integrated, that it was

culturally grounded and that it really provides practical, effective—and that the services that it provides would have a long-term effect. Again, I come back to my point: What better way to find out what should go into a strategy than hearing from the people on the ground?

The implementation of the Ontario Indigenous Children and Youth Strategy necessarily involves a number of proposed legislative changes, which we have to do upstairs here, to the Child and Family Services Act. On April 7, 2015, the Report on the 2015 Review of the Child and Family Services Act was released. At that time, Minister MacCharles signalled her ministry's intention to consider updates to the Child and Family Services Act to respond to the review and to support the transformative work that was under way in the child and youth sector, including the OICYS piece of it.

So your ministry, as you know, continues to review and examine these programs and policy areas with a view to considering really immediate—not long-term improvements, but immediate improvements—to very specific ministry programs that'll work to align the work of the strategy with what is actually going on on the ground, and it aligns the strategy with the necessary legislative changes to the act. One thing we don't want is for the strategy to end up on a shelf. After we've designed and figured out how to deliver it, we'll make the necessary legislative changes to effect it and then keep a very close eye on: What are the immediate steps we can take? What can we do today, next month and a couple of months down the road?

1750

On January 16—and this is a very important piece of the question on the strategy—the Canadian Human Rights Tribunal found that First Nations children and families living on-reserve and in the Yukon are discriminated against by Canada in the provision of family and child services. Here in Ontario, we welcomed that decision. We respect the findings and the ruling of the tribunal regarding the government of Canada's funding and the provision of child welfare services on-reserve. That Canadian Human Rights Tribunal decision involved the provision of on-reserve services.

I'm getting into what the federal government is doing here, but they're responsible for on-reserve, although we have a common interest and indeed we work together wherever we can. I'm proud to say that Ontario and my ministry and your ministry often act as a prod or a conscience sitting on the federal government's shoulder to get them moving along on these issues. Minister Bennett, the new Minister of Indigenous and Northern Affairs, is very interested in these issues for all the right reasons. I meet with her regularly on these.

Where the rubber hits the pavement, so to speak: The 2016 federal budget announced an investment of \$634 million over five years to support—and this is the key to the piece—the immediate needs of First Nation children and to begin right away a process of reform to strengthen First Nation child and family services. So we are very encouraged—my ministry—and I know you're very

encouraged at your ministry by the federal government's response to the decision of the tribunal and by the federal government's commitment to work with indigenous partners as well as provinces and territories. There's a mechanism in place called the federal, provincial, territorial forum—

**Ms. Deborah Richardson:** Indigenous.

**Hon. David Zimmer:** Indigenous forum—the Federal, Provincial, Territorial and Indigenous Forum has been set up. On behalf of the other provinces and the territories, Minister Bennett and I are co-chairs of that forum. That forum is going to serve as a place where we can discuss these issues cross-country: best lessons; best practices; things they're doing in other provinces, other territories; advice to the federal government; and hearing about initiatives of the federal government. So it's a holistic approach to a range of issues that we can deal with at that forum. I can tell you that at that forum—we're interested in a range of issues, but there is a particular interest in children and youth issues on this.

**Ms. Sophie Kiwala:** Excellent. I think I have a bit of time left. We've got about six minutes or so left in this room. I have a million things I want to ask you, but I'm really obliged to stay focused right now on children and youth because of my double mandate.

I'm wondering if you can elaborate on how we are supporting the Right to Play's Promoting Life-skills in Aboriginal Youth—that specific program and what the outcomes are for indigenous youth.

**Hon. David Zimmer:** I always enjoy talking about Right to Play. I think it's one of the great initiatives that we should all be aware of.

Let me take you back to the winter of 2009. My ministry was directed to develop an initiative that would focus on expanding recreational opportunities for indigenous youth through partnerships in the public sector, the private sector and the not-for-profit sector. As a result of all of that, the Promoting Life-skills in Aboriginal Youth Program was developed. It was developed by Right to Play, but in partnership with the province, other organizations and indigenous organizations.

The Promoting Life-skills in Aboriginal Youth Program works very hard to help indigenous youth improve their health, their self-esteem and their leadership skills through consistent, weekly and year-round participation in sports and activities. It's not just a thing of, "Oh, we're going to run a hockey tournament next Saturday," or "We're going to run a baseball tournament some Sunday afternoon." It's a long-range, planned-out program.

The reason it has this long perspective, if you will, this long outlook, is because of the discipline of learning a sport or a physical activity. Practising to be a good hockey player, practising to be a good badminton player or practising to be a good swimmer requires discipline. It requires concentration. You've got to organize your day. You've got to organize in your mind how you're going to approach this skill set.

We have found, at Right to Play—and I've talked to sport psychologists and I've talked to others involved in this issue: the self-confidence that you see on a youth's face when they've mastered an athletic skill. Once they've mastered it, then you start seeing them getting better and better and better at it. The confidence that it creates is touching to see. But the confidence, then, that they could master that skill set on a long-term basis and learn something—what the confidence does is create further ambition: "If I can master this physical activity or that physical activity, and I can see myself getting better and better at it"—the confidence that it builds tells them, "Maybe I can also undertake a course of studies in school, I can get my homework done and I can graduate next year. I know I can do this because"—

**The Chair (Ms. Cheri DiNovo):** Minister, you have just over a minute to wrap up.

**Hon. David Zimmer:** So for any of you who want to see really good news and an inspiring story, go and Google "Right to Play" and "indigenous communities" and see all the good news that comes up.

I will tell you an interesting story. We had a Right to Play event on Manitoulin Island. We had a philanthropist who donated a serious chunk of money to build a hockey arena. We all went up, and the philanthropist arranged to have a hockey star by the name of Wendel Clark come. So I went, and the philanthropist went, and we arrived at this arena and the ribbon-cutting ceremony. I gave a little speech, and the kids just watched. The philanthropist gave a little speech, and the kids just watched; ditto for the chief. Then Wendel Clark stood up, and this place just broke up and went nuts, and the kids just rushed him. They all wanted to be like Wendel Clark. You could just see the expressions on their faces. Then he put on a pair of skates and played hockey with them, and they had a role model, they had a mentor.

**Ms. Sophie Kiwala:** That's great. Wonderful.

**The Chair (Ms. Cheri DiNovo):** Thank you all.

This committee stands adjourned until next Tuesday at 9 a.m.

*The committee adjourned at 1800.*

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Second Session, 41<sup>st</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 41<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 4 October 2016

# Journal des débats (Hansard)

Mardi 4 octobre 2016

## Standing Committee on Estimates

Ministry of Aboriginal Affairs

## Comité permanent des budgets des dépenses

Ministère des Affaires autochtones



Chair: Cheri DiNovo  
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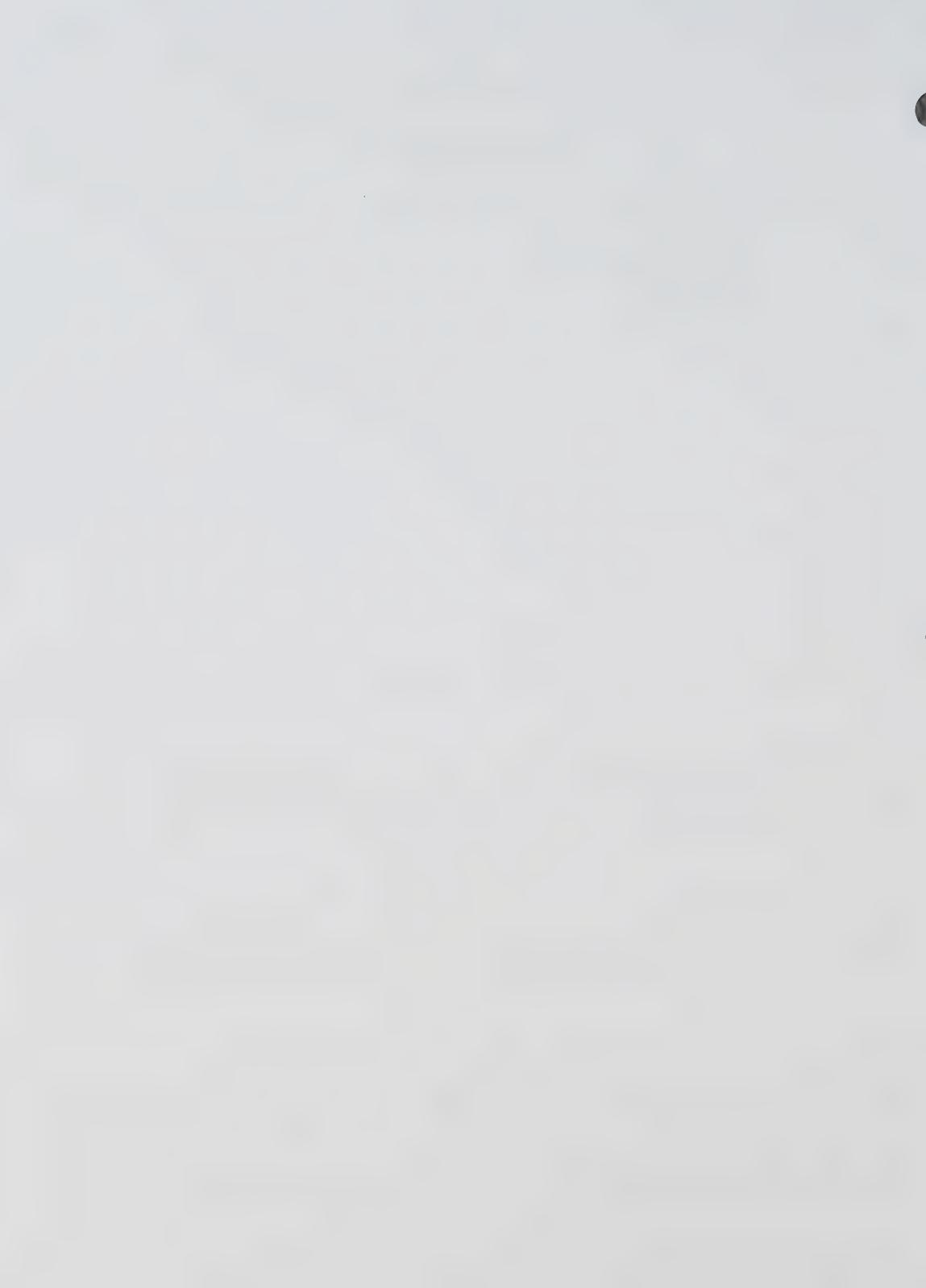


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## **CONTENTS**

Tuesday 4 October 2016

Ministry of Aboriginal Affairs .....	E-63
Hon. David Zimmer	
Ms. Esther Laquer	
Ms. Deborah Richardson	
Ms. Hillary Thatcher	
Mr. Shawn Batise	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 4 October 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 4 octobre 2016

*The committee met at 0900 in room 151.*

## MINISTRY OF ABORIGINAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Hello. Good morning, everyone.*Interjections.***The Chair (Ms. Cheri DiNovo):** Members, listen up.

As you may be aware from the order paper, tomorrow's opposition day motion is related to energy policy. Pursuant to standing order 60(e), "No estimates shall be considered in the committee while any matter, including a procedural motion, relating to the same policy field is being considered in the House." As the Minister of Energy is scheduled to appear before us tomorrow afternoon, I will instruct the Clerk to cancel the ministry's appearance. Please note that we will still meet tomorrow afternoon at 3:45 to finish consideration of the estimates for the Ministry of Aboriginal Affairs. Is that clear to everybody? Okay.

We are now going to resume consideration of vote 2001 of the estimates of the Ministry of Aboriginal Affairs. There is a total of three hours and 55 minutes remaining. If there are any inquiries from the previous meeting that the minister or ministry has responses to, perhaps the information can be distributed by the Clerk.

Were there any items, Minister?

**Hon. David Zimmer:** Yes. At the last appearance there was a question about how much the name change from "Aboriginal Affairs" to "Indigenous Relations and Reconciliation" cost. The answer was under \$25,000. The exact amount, I think, was four thousand and a couple of hundred or something.

**The Chair (Ms. Cheri DiNovo):** Thank you. Duly noted.

When the committee last adjourned, the government had five minutes left in their round of questions. Mr. Potts, the floor is yours.

**Mr. Arthur Potts:** Thank you, Chair. I'm delighted to be here with the ministry today. I would like to direct my question to the Federal, Provincial, Territorial and Indigenous Forum. Of course, under the previous federal administration, participation at the federal level was less than enthusiastic. Now we have a new change in the federal government, and it's my understanding that the minister of indigenous relations, Minister Carolyn Bennett, is taking a far more active role from the federal perspective.

I was hoping, Minister, that you might shed some light, as you are wont to do, on the meeting that you had recently. June 10, I believe, there was a meeting of the forum. We know of the complexities of the provincial and federal jurisdictions. When it comes to many of these issues that we face, it's important that we have participation at all levels in a meaningful way. I think we do have this opportunity now with the feds participating at the table and other provinces and territories.

Will the minister maybe tell this committee how Ontario's participation in the Federal, Provincial, Territorial and Indigenous Forum has been benefiting, or could benefit, indigenous peoples across Ontario?

**Hon. David Zimmer:** The Federal, Provincial, Territorial and Indigenous Forum exists, and it has existed in the past. It was an organization of the provinces, the territories and, nominally, the federal government, but they, in fact, didn't participate. The forum has always been chaired by one of the ministers of indigenous affairs from one of the provinces or territories. The most recent chair was Premier McLeod from Northwest Territories. I believe he chaired it for the past two years.

Ontario has been asked to chair it for the next two years but, in addition to that, because the new federal government wants to be involved in these issues in a way that the previous federal government was not, it's been arranged that the federal minister, in this case Minister Bennett, will co-chair the Federal, Provincial, Territorial and Indigenous Forum. So Minister Bennett and I are the co-chairs.

What arises from that is that work is being done now on arranging the next meetings and so forth and so on as we speak. But the point here for Ontario and for indigenous relations and the reconciliation piece is that Ontario and the federal government are co-chairs of this very important forum, so it gives Ontario a chance, as one of the co-chairs of the forum, to, if you will, shape the agenda, perhaps; to have very close and direct communications with the federal minister and, indeed, with the other provincial and territorial ministers responsible for indigenous relations.

The bottom line is there is a mechanism now in which Ontario, if you will, sits at the top, along with the federal minister, and we have a whole new way of influencing things—in the best sense of the word.

**The Chair (Ms. Cheri DiNovo):** Minister, you have just about a minute to wrap up.

**Mr. Arthur Potts:** Of course, the federal minister is a Toronto resident and a member from a Toronto riding, so I'm sure you have opportunities to probably meet in local Starbucks and forge a very personal relationship with the federal minister, which must be very helpful in forging partnerships. We can have a more direct influence on the kinds of outcomes that we want to see for the indigenous people of Ontario because of that strong working relationship you have with the federal minister.

**Hon. David Zimmer:** Yes, it all circles back to how there is substance in changing the name of the ministry from aboriginal affairs to indigenous relations. There's a big emphasis—I've said it before—on relations, and certainly this forum, of which Ontario is the co-chair with the federal government, and it's a forum for all of the other provincial and territorial ministers, is important in shaping and advancing the relationship piece and the reconciliation piece.

**The Chair (Ms. Cheri DiNovo):** That's about it. There's 10 seconds, if you want a final word.

**Hon. David Zimmer:** I want to thank Mr. Potts for that very objective question.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. We now move to the official opposition. Mr. Miller.

**Mr. Norm Miller:** Thank you, Madam Chair. I wanted to ask some specific questions with regard to The Journey Together: Ontario's Commitment to Reconciliation with Indigenous Peoples. We've reached out to the Chiefs of Ontario and asked them if they had questions that they might like to see posed. Regional Chief Isadore Day was just in the room and then he departed somehow, but there were some specific questions that they suggested I ask.

Specifically, they want to know about commitments made and where the progress is to date. In this piece of information, there is new funding of up to \$150 million over three years—

**Hon. David Zimmer:** What page are you at?

**Mr. Norm Miller:** Sorry?

**Hon. David Zimmer:** What page are you at?

**Mr. Norm Miller:** I'm not sure what page it is.

**Hon. David Zimmer:** Oh, sorry.

**Mr. Norm Miller:** So there's new funding of up to \$150 million over three years, including \$3.5 million in 2016-17 in life promotion support and \$2.3 million in 2016-17 in new mental health and addiction support. The question is: Minister, can you please explain the exact breakdown of how and where the \$150 million in funding will be specifically allocated?

**Hon. David Zimmer:** Just give me a moment, Mr. Miller, because I think this is a very technical budgeting question, if you will.

We have the finance guru from the ministry.

**Ms. Esther Laquer:** Good morning. Esther Laquer, corporate management director.

At this point, we can't provide a breakdown of the exact allocation for those programs because the ministries are still in the process of developing their program design and implementation planning processes. Once

those are finalized, the government will finalize the allocations specifically per program. At this point in time, that information is not available, but as soon as it is—

0910

**Mr. Norm Miller:** So it's up to \$150 million over three years. That is three years starting when?

**Ms. Esther Laquer:** Starting this current fiscal year, 2016-17.

**Mr. Norm Miller:** With all of the money to be spent in three years?

**Ms. Esther Laquer:** That's what was announced, yes.

**Mr. Norm Miller:** What is the timetable, then, for having these specific allocations figured out?

**Ms. Esther Laquer:** We expect it to be done shortly.

**Mr. Norm Miller:** Okay. Is that something that can be provided to the committee after it's figured out, or is it—

**Ms. Esther Laquer:** Absolutely. I expect that there will be announcements in that regard as well.

**Mr. Norm Miller:** Okay. Any other details with regard to the \$3.5 million in 2016-17 in life promotion support and the \$2.3 million in 2016-17 in new mental health and addictions support—how that money is going to be spent, or if there are any specific programs?

**Ms. Esther Laquer:** At this point, the details are not available yet, as ministries are finalizing their program design and their implementation planning.

**Mr. Norm Miller:** Because it's 2016-17; we're part-way through the year, at this stage. The fiscal year of the province starts on April 1. I guess we're halfway through the year, so I would expect that it should be coming very shortly.

I'll move on to the—

**Hon. David Zimmer:** I might add, Mr. Miller, that the Ministry of Indigenous Relations—I've said in the past that one of our mandates is that when funding programs, such as you just referenced, are presented, we work as a ministry with the other ministries—be it health, justice, education and so forth and so on—in helping design the programs and giving our best advice on how to allocate the monies and so on. That's what was just referenced now. That exercise is underway now. The program that you just referenced was announced in the spring—

**Mr. Norm Miller:** For example, the \$2.3 million in new mental health and addictions support: Obviously, your ministry is not an expert on that sort of thing, so I assume that's health that would be—

**Hon. David Zimmer:** Yes. But having said that, we would offer our advice and help to facilitate how health works through those decisions.

**Mr. Norm Miller:** And would you also be then announcing if there are specific new programs, or whether it's going into existing programs that are already in place?

**Hon. David Zimmer:** That would be worked out with the relevant ministries, who would announce it.

**Mr. Norm Miller:** Would you commonly do a joint announcement for something like that, then, or would they be the lead on it? How does that work?

**Hon. David Zimmer:** Sometimes yes and sometimes no. That detail is worked out, if you will, between the deputy ministers, and they're meeting regularly on the design and implementation and timetable of those programs. But we facilitate and help out and offer our best advice.

Perhaps the deputy has an insight into just how our—

**Mr. Norm Miller:** Yes, it would be nice to get some idea of what the \$150 million, in particular—if it's in the planning stages, what the plans are or what generally it's going to be used for.

**Hon. David Zimmer:** Deputy?

**Ms. Deborah Richardson:** Sure. There are a number of pieces of planning that need to happen before some of that money can roll out. For example, we spoke at the last session around the Gladue summit. There will be a meeting with a number of practitioners in the justice area to talk about additional Gladue writers, after-supports for people who go through the criminal justice system and those pieces.

The language secretariat: There is going to be a session planned with indigenous language experts and the Ministry of Education to talk about what an indigenous language secretariat would look like. So that's another piece.

The summit on social emergencies: I've been working with Grand Chief Solomon and Grand Chief Fiddler, and I had a conversation with Ogichidaa Kavanaugh's staff about organizing that probably in February. We're hoping that the federal government will also participate in that. We hope to have tabletop exercises to figure out how we—and I mean the collective we, the three levels of government, indigenous, federal and Ontario—can do better when there are social emergencies.

Another piece is around the new health and addiction centres. There are a number of proposals that a number of indigenous groups have submitted that the Ministry of Health is working on with them. There were up to six new treatment centres, I think.

The other piece was the children's mental health workers in schools in communities. With that piece, MCYS is working with the all the communities. We budgeted for every community to have a worker. So there are a number of pieces.

Most of the money is going to be spent in year two and year three. Year one, a lot of the time is just staging and gauging. For example, in the Family Well-Being Program, under the Walking Together program, there was capacity provided to a number of indigenous organizations to figure out what the performance measures of this program are, what it looks like, how we are going to deliver it and how we are going to support the workers to better support the families. I hope that explains it.

**Mr. Norm Miller:** That certainly helps a lot. It's a three-year program. If, at the end of the three years—we're slowly getting started, being halfway through the

first year at this point—things are just getting rolling or the money isn't spent, does it carry on beyond that? Or is unspent money then lost to those programs?

**Ms. Deborah Richardson:** No money is going to be unspent this year. We've already done that assessment. We have to get internal approvals about what the plan is for the money going forward.

That's what all of the ministries are working on right now: (a) the money for this fiscal year, what will be spent, and then (b) how we will get the money for next year and the year after. That's the plan.

**Mr. Norm Miller:** Can there be carry-over beyond year three? If, for argument's sake, there is \$50 million not spent in year three, can it be carried forward so the program can be finished off, or not?

**Hon. David Zimmer:** The money will be spent.

**Mr. Norm Miller:** Okay. I guess from my perspective it's more important not just that the money be spent, but that it be spent effectively and actually achieve something with the spending of the money, as well. I'm asking just so that if it is slow getting going, it continues and is used as—

**Hon. David Zimmer:** I can assure you, Mr. Miller, that the allocations will be spent over the period of time referenced, and the money will be spent wisely, usefully and effectively. That's the mandate that I have on this issue.

**Mr. Norm Miller:** I see that Regional Chief Isadore Day is in the room now. I want to welcome you, Chief, to the meeting.

Another question was with regard to the development action plan—I think you partially hit on it a bit in your response, Deputy—for responding to social emergencies in northern First Nation communities. Specifically, the question is: Minister, what are the details of your action plan for responding to social emergencies in northern First Nation communities?

**Hon. David Zimmer:** Again, that commitment has been made. The Ministry of Indigenous Relations and Reconciliation is working with other relevant ministries to devise the details of how that money will be spent. We do sit down with, as I said, the other relevant ministries and work out the matrix of how that's all going to happen—the time frames and so on. But I am going to ask Assistant Deputy Minister Hillary Thatcher to speak to the further details of that rollout, if you will. She's the assistant deputy responsible.

**Mr. Norm Miller:** I know there has been a lot reported, of course, on the various social emergencies, but maybe you could talk a bit about what they are. I assume it's like the flooding that happens in so many of the James Bay lowland communities, the suicide situation—

**Ms. Hillary Thatcher:** I'm Hillary Thatcher, assistant deputy minister for indigenous relations and reconciliation.

0920

We have two different types of emergencies that we tend to respond to in Ontario. There are the natural disaster types of emergencies, which include flooding,

fires, the types that you've referred to in the lowlands of James Bay. A number of years we've had evacuations at Kashechewan First Nation. With those types of emergencies, they're defined distinctly and differently than social emergencies.

We actually don't have a firm definition on social emergencies, because we're working with First Nation partners and with the federal government to more clearly define what social emergencies are so as not to exclude situations that may arise that we may not be anticipating. Currently, when we're talking about social emergencies, we're often referring to when there are epidemics of suicides in communities and where there is suicide ideation. But other social emergencies can arise. A community may declare a social emergency where there's a lack of clean drinking water. They may rise out of a lack of access to food and goods and provisions. Right now, social emergencies don't have a very strict definition.

In any case, we do have, through the Truth and Reconciliation Commission, our report, *The Journey Together*, which you've referenced. We have committed to hosting a summit with the chiefs of northern First Nations, including Nishnawbe Aski and the Mushkegowuk tribal council, as well as Grand Council Treaty 3, to work with the federal government to look at how to better respond in situations where there are social emergencies. Currently, we take the approach that we would take in a natural disaster emergency, where we work across line ministries with the federal government and with the impacted community to talk about what types of supports the community needs, who has got access to those supports and what type of funding is going to be required so that we can address the immediate needs of the community.

Where we have some gaps is thinking about the mid- and longer-term solutions, so often—and we saw this in the case of Attawapiskat, where supports were deployed almost instantaneously. The community had a lot of officials coming up, a lot of crisis workers coming to work with the youth, and the timelines are about a month after the emergency is declared.

Our goal with our summit, through *The Journey Together*, is to look at what are those mid- and longer-term solutions so we can think about the needs of the communities beyond the immediacy of a declaration. So that's why we're bringing together these organizations, the First Nations and some of their experts in the communities who are crisis workers who can work with us and work with the federal government so that we can come to an arrangement where our roles and responsibilities are clearly defined, because right now there just isn't a clear definition as to who is responsible to act when a situation arises.

**The Chair (Ms. Cheri DiNovo):** Mr. Miller, you have just over four minutes.

**Mr. Norm Miller:** Thank you.

Have you got a date for this summit?

**Ms. Hillary Thatcher:** The date hasn't been set yet, but we're looking at the new year, so likely sometime in

February or March. We're working right now, as the deputy minister mentioned, with the Grand Chief of Mushkegowuk tribal council, of Grand Council Treaty 3 and of Nishnawbe Aski Nation to set a date with us and with the federal government and multiple ministries on both sides so that we can move this forward early in the new year. Likely February is what we're looking at right now.

**Mr. Norm Miller:** Have you got a location for this summit?

**Ms. Hillary Thatcher:** The location hasn't been defined, but it will likely be in the north.

**Mr. Norm Miller:** Minister, were you about to say something?

**Hon. David Zimmer:** Just because you're coming to the end of your time, I just want to reiterate that the questions that you've posed have arisen out of the document *The Journey Together*: what are we doing, how are we spending the money, and the time frames. But I just ask you to keep in mind that the Truth and Reconciliation report was issued last summer. There were 94 recommendations. Six months later, in that short period of time, Ontario had analyzed and thought through the 94 recommendations, number one. Number two, we decided that there was going to be a substantive response to those 94 recommendations and designed the response around the five themes that I referenced earlier in these hearings. The third piece was, we put real money behind how we were going to implement the responses to the Truth and Reconciliation Commission.

I can tell you that since this report, *The Journey Together*, came out, I've been to meetings with my provincial colleagues from other provinces and territories, and I've been in discussions with the federal minister. Ontario is looked to as a model for how quickly we responded to the recommendations and how substantively we responded to the recommendations.

Now we're into the second phase of responding to the recommendations, and that is getting the money out the door, so to speak, and getting the money into effective programs. This has really put Ontario in a leadership role on this truth and reconciliation piece. I rather expect that's why Ontario was asked to co-chair the Federal, Provincial, Territorial and Indigenous Forum, because of the leadership reflected in this document.

**Mr. Norm Miller:** Understandably, the Chiefs of Ontario are looking for the details on the real money, as you mentioned.

**Hon. David Zimmer:** Absolutely.

**Mr. Norm Miller:** That's why I'm asking these specific questions.

**Hon. David Zimmer:** I can tell you, you've hit the nail right on the head, Mr. Miller. When I meet with the chiefs—and I've had lots of conversations with Regional Chief Day, sitting here, and one of the first questions from the chief, on the first issue, is: "All right. We've got the plan and the program and the commitments. When is the rubber going to hit the pavement?"

**Mr. Norm Miller:** We'll be looking forward to seeing those details.

**The Chair (Ms. Cheri DiNovo):** You've got one minute.

**Mr. Norm Miller:** Oh, I do. Okay.

**Hon. David Zimmer:** Just say we're doing a good job, Norm.

**Mr. Norm Miller:** I'll go to the third question, but I don't think you'll have time to answer it. In the document, it says you will work with the federal government to address the United Nations Declaration on the Rights of Indigenous Peoples. The specific question, Minister: I'm wondering how your commitment to work with the federal government to address the United Nations Declaration on the Rights of Indigenous Peoples will actually unfold when Minister Raybould has said Canada cannot simply incorporate the declaration "word for word" into law. You can start on that, but you'll have to come back to it in the next round.

**Hon. David Zimmer:** Yes, we'll have to come back. Suffice it to say that I was invited a few months ago to attend the United Nations forum on indigenous peoples along with Minister Bennett. We sat in the lobby of the UN, and Minister Bennett made her statement with respect to the United Nations Declaration on the Rights of Indigenous Peoples. Subsequent to that, we are in discussions with our federal counterparts and indeed other provinces on how to proceed with that issue—

**The Chair (Ms. Cheri DiNovo):** I'm afraid you are out of time, Minister. We now move to the third party. Mr. Natyshak.

**Mr. Taras Natyshak:** Good morning, Minister. Good morning to your colleagues. Mr. Zimmer, how long have you held the post in your current ministry?

**Hon. David Zimmer:** February 13, and prior to that, for about a year—

**Mr. Taras Natyshak:** February 13 of this year?

**Hon. David Zimmer:** February 2013. Prior to that, the Minister of Aboriginal Affairs was Kathleen Wynne, and I was her parliamentary assistant.

**Mr. Taras Natyshak:** So you're going on four years as the minister?

**Hon. David Zimmer:** Yes.

**Mr. Taras Natyshak:** And a couple of years as the—

**Hon. David Zimmer:** Yes. A year and a half as the parliamentary assistant and three and a half and a bit as the minister.

**Mr. Taras Natyshak:** I woke up this morning, as I typically do, in a happy, jovial way.

**Hon. David Zimmer:** Well, I'm glad that you woke up this morning.

**Mr. Taras Natyshak:** I am too. I'm glad we all did.

**Hon. David Zimmer:** It would be a sad day if you had not.

**Mr. Taras Natyshak:** It would, indeed. I took my vitamins, jumped in the shower—I had a nice warm shower—got out, and turned on CBC, as I typically do. As I was listening to CBC, I heard that over 80 First Nation communities in this province are under a boil-water advisory. There are over 120 across the country, somewhere around 28 in the province of British Colum-

bia, but glaringly the province of Ontario has 80 communities. Some of these communities have been under boil-water advisories for over 20 years.

0930

Minister, you can imagine that my mood quickly changed. I became angry, disgusted, sick at the fact that this province could allow our first peoples to live under such conditions, to have no plan whatsoever for something that's just a perpetual problem for First Nations. I'm here; I have this wonderful honour to serve in a place where I see absolutely no effort to resolve this issue. Serendipitously, I'm in this committee today. This is not my normal committee—you would know that—but I couldn't help but think that it's beholden to me, incumbent on me, to ask you this question: What the hell is going on? What are you doing? What have you done in the last three years to resolve this problem?

At the end of your tenure, if there are still 80 communities under boil-water advisories, will you walk away from here proud? Could you? How could you? How could anyone in this country, in a developed nation, know that that exists and know that you had the ability, the power, the responsibility to do something about it—what are you doing? Are you using the full power of your office to compel the federal government to get off their hands and commit to resolving this issue?

It's Canada, Minister. This is Canada. It's not a Third World country. It's embarrassing. It's embarrassing to go back to my community in southwestern Ontario, in Essex, and tell them that there are communities in this province that can't drink the water. It's sickening. Tell me you're doing something and tell me it has some positive effect, because I don't see it on the news in the morning.

**Hon. David Zimmer:** Thank you for that question, because I did want to speak to this issue—

**Mr. Taras Natyshak:** Minister, I don't see the word "water" in The Journey Together. The word "water" is not in this thing.

**Hon. David Zimmer:** Do you want me to answer the question, or do you just want to—

**Mr. Taras Natyshak:** I do. I just wanted to make that point: The word "water" is not in here.

**Hon. David Zimmer:** The reference to water was not in the TRC. That was a report issued by Mr. Justice Sinclair and the other three commissioners, so that's a matter that you'd have to take up with Mr. Justice Sinclair. There were 94 other recommendations.

But having said that, independently of the Truth and Reconciliation report, water is, for the reasons that you have powerfully, eloquently and emotionally stated—I think it's quite proper to be emotional about this. The province has a powerful interest in the drinking water issue. I say that notwithstanding that the on-reserve water issues are—we are not hiding behind the federal government on this, but the fact of the matter is that on-reserve drinking water issues are federal issues. The province has a role to play, and we try very hard to work on this.

One of the problems was that in the preceding 10 years, that is, preceding the new federal government in Ottawa—let me put it this way—there was not much engagement by the previous federal government on these water issues. So we fast-forward and there's a new federal government. I can tell you that prior to the new federal government coming in, even with the previous federal government, the province was pounding away on these water issues.

You haven't been here for these hearings yet, but a couple of times in the hearings I have referenced my, to date, 83 visits to First Nations. I've said this to the rest of the committee members, but it's helpful to answer your question: Those visits are not just a quick drive around and then away we go. The meetings are planned out. We arrive, there are the ceremonies and so on, but there is an agenda that's worked on beforehand. Then we get down to the meeting, we sit with the chiefs, band councils and other people who accompany me: deputy ministers, assistant deputy ministers and so on. I can tell you that at every one of those meetings, in addition to other agenda items, there is usually a water issue, if it's one of the First Nations on a boiled-water—

**Mr. Taras Natyshak:** Okay, thanks, Minister.

**Hon. David Zimmer:** Just let me—

**Mr. Taras Natyshak:** No, I don't think you're going to be able, I don't think you're going to answer the question—

**Hon. David Zimmer:** Do you want to hear an answer? It's a serious—

**Mr. Taras Natyshak:** No, you're not going to get there. I know you're not going to get there, Minister.

**Hon. David Zimmer:** Well, I take exception. It's a serious issue—

**Mr. Taras Natyshak:** You can take exception all you want. You're not going to get there. I can already tell in the tone and the—

**Hon. David Zimmer:** It's a serious issue, and you should have an open mind and hear—

**Mr. Taras Natyshak:** No, I know it's a serious issue. When you go and visit those communities, I bet you bring bottled water because I bet you wouldn't even take the chance—

**Hon. David Zimmer:** Well, you are the one with the closed mind on this issue.

**Mr. Taras Natyshak:** I bet you wouldn't even take the chance to drink the water on-reserve.

**The Chair (Ms. Cheri DiNovo):** If I might interject, one at a time, please.

**Mr. Taras Natyshak:** I'm passing it over to my colleague anyhow.

**Hon. David Zimmer:** Well, that was not a helpful exchange on your part.

**The Chair (Ms. Cheri DiNovo):** Mr. Mantha.

**Mr. Michael Mantha:** Minister, on several occasions, you've said you've gone out to First Nations communities, 83 visits—

**Hon. David Zimmer:** That was not a helpful exchange on your part.

**Mr. Michael Mantha:** The exchange is done. Now it's my turn.

**Hon. David Zimmer:** Okay.

**Mr. Michael Mantha:** You've done several visits to communities, and I'm sure when you've been out to these communities, you've heard the heartbeat of the community. You've heard what communities are all about in celebration, particularly when the drum is played. It's quite an exciting time. It's quite an overwhelming feeling, feeling that heartbeat. If you've ever been close to it, which I'm positive you have, you indulge in it. You give yourself to that drum and you recognize that that drum is part of the DNA, it's part of who that community is. It not only sings and plays songs, it also tells stories, and it's important for you to listen to those stories.

While you're on these tours—I'm sure you've experienced this, right, Minister?

**Hon. David Zimmer:** Yes.

**Mr. Michael Mantha:** All right. There are two versions of this drum. There are many versions of this drum, but there is also another version of the drum, which is going to be played very shortly on October 10. It's going to be played on Highway 144. It's going to be played in Gogama, where the community of Gogama and the Mattagami First Nation are going to be gathering together in order to raise awareness of the huge issue which the province certainly has played a role in. You can't deflect it to the federal government; you have an interest to play in this.

You can go to that community, if you haven't already gone to the community, speak to the individuals who are there, meet with the chief—Chief Leonard Naveau, out of the Mattagami First Nation—and actually listen to the concerns the elders have voiced extremely, which they are frustrated that this government is not acting on.

You as the minister: What are you going to do in order to prevent the possible chaos that will happen because the communities have had no choice but to do some civil disobedience and have a protest on that highway in order to raise awareness?

These are some of the leaflets. I want you to have this, Minister. These are some of the leaflets that they're going to be issuing to people. It says: "CN: Clean your mess. No more oil in our waterways. Water is life." I'm going to repeat that: Water is life. "Water is life. Our lives matter. Future generations matter. Take your filthy oils elsewhere. CN needs to be held accountable. Get your oil out of our river now."

You have an opportunity as a minister to do something. I want to know what you're going to do, Minister, in order to help these communities make sure that Gogama and that area do not become another monitored Grassy Narrows. I want to know what you're going to do.

**Hon. David Zimmer:** First of all, it's Chief Naveau, not Chief Leonard, who is the chief at Gogama.

**Mr. Michael Mantha:** Walter—sorry, you're right. You're right, it's Walter Naveau. I used to stay in his basement when I was a young lad. I used to play baseball

in his yard. Leonard is his friend, and I used to—anyway, you don't need to know that. But I want to know what you're doing.

**Hon. David Zimmer:** This question came up previously when you weren't on the committee. I was up at the site within a day or two or a couple of days, and I went up with a team. We met with Chief Naveau. We had a tour of the site first. We did a walk-around of the site. We did a helicopter tour of the site. We then went back to the band office and met with the chief, his band leaders and advisers and we got into the details of it. CN was invited to that meeting, and we got into the details—

0940

**Mr. Michael Mantha:** Minister, I don't want to cut you off, but I need to know what you're going to do. I know what you've done. That's why these people are having a protest: because there's no action that is happening from that. They have had no choice but to take this—

**Hon. David Zimmer:** Well, do you want the answer, or do you just want to—

**Mr. Michael Mantha:** Yes, I do want an answer, but I don't want a history. People know what you've done, and they're frustrated that nothing has been done. Tell me what you're going to do in order to answer to their questions. That's what I'm waiting for. And that's what these people are waiting for. The clock is ticking.

**The Chair (Ms. Cheri DiNovo):** The floor is the minister's.

**Hon. David Zimmer:** Thank you, Chair. The first thing to figuring out the solution is to sit down with the band and hear what they have to say about the issue; sit down and listen to what CN's response is; we throw down markers on what we want to do, and then we start to tackle the issue.

At that meeting was Assistant Deputy Minister Shawn Batise and he has been working on this issue. He's the assistant deputy minister of negotiations. He has been in detailed discussions with CN and with the chiefs, and I will now ask him to give you the specific detail of exactly what we're doing on a going-forward basis. Would you like to hear it? If you would, just stay quiet, wind yourself down and listen to what the assistant deputy minister has—if you are really interested in an answer to your question.

**Mr. Taras Natyshak:** You're a professional puck dragger, Minister. Go ahead. Thank you.

**Ms. Sophie Kiwala:** Point of order.

**Hon. David Zimmer:** Well, you are a caliginous questioner.

**The Chair (Ms. Cheri DiNovo):** Ms. Kiwala, point of order.

**Ms. Sophie Kiwala:** I think that we need to make a decision to have this be a constructive conversation. I understand that the member from Essex is frustrated and angry, as he has said—we all are, to a certain extent—but I think that it needs to be constructive.

*Interjection.*

**The Chair (Ms. Cheri DiNovo):** That's not a point of order. And I'll call Mr. Mantha to order.

We'll hear now from the deputy.

**Mr. Shawn Batise:** Shawn Batise, Assistant Deputy Minister of Indigenous Relations and Reconciliation, negotiations and reconciliation division.

As the minister has stated, I was present during the initial spill and involved throughout, right to the end of my tenure as the tribal council chairman and executive director of Wabun Tribal Council. Mattagami is one of my communities; I worked directly for Chief Naveau for 25 years.

In speaking with my colleagues from the Ministry of the Environment in the last few days since this issue has arisen, it is my understanding that they are continuing to monitor, and in no way, shape or form is cleanup complete. CN has in fact removed their heavy equipment, which has triggered some concerns by the community, thinking that they're not going to be back, that there is no need for them to come back. But MOECC is continuing to monitor and sample and there is no end in sight to that continued monitoring, as far as they're concerned. If there is more cleanup to do, CN will be brought to bear to do it.

In terms of the chief and council themselves, I've had a couple of conversations with Chief Naveau and, more importantly, I've had a conversation with his lead councillor on the file, Chad Boissoneau. In fact, I will be meeting the chief and council of Mattagami First Nation tomorrow. They're at an AGM in Rama First Nation and I'll be attending that and sitting down with the three of them—sorry, not the three of them; I think there are five or six on the council there—either tomorrow afternoon or sometime on Thursday to discuss this issue and to see how we can continue to be of assistance on it. I am aware of the protest next Monday on Highway 144, and I will be discussing that with them as well.

But I can assure you that, according to my colleagues at MOECC, this matter is not finished or through. They are continuing to monitor. They're aware of the situation, they're aware of the fish and the oil sheen that Ms. Gélinas brought up last week, and there is further testing on those issues that has yet to be completed by CN.

**Hon. David Zimmer:** Let me just add to that that as late as yesterday—so that's Monday, October 3—we've been in discussions with the Minister of Transportation, the rail safety that is on the federal side. Rail safety is a matter that we are working very closely on with the federal transportation authorities, who have oversight of rail safety. So there are a series of discussions under way, and planning and so forth and so on, on the broader issue of rail safety in Ontario and then also on the Gogama piece, as Assistant Deputy Minister Batise has referenced.

**Mr. Michael Mantha:** Thank you, Minister.

**Hon. David Zimmer:** The assistant deputy minister has a further comment.

**Mr. Shawn Batise:** Just as a follow-up as well, MOECC did in fact have an open house on this issue, on

September 14, I believe. There is a newsletter that is publicly available, which was printed on August 30. It fully details this issue and, I think, responds to the concerns that you've raised around where they are with testing. In fact, it states that it's not complete, that monitoring is continuing.

So I understand the community's concerns and fears around the issues that they're dealing with, but the fact is that the MOECC has stated on a few occasions, to my knowledge, in particular on September 14, that they are continuing to monitor.

**Mr. Michael Mantha:** As a ministry and, in particular, the ministry responsible for the interests of First Nations, I would expect you to push extremely hard in order to work with MOECC. There is equipment there, readily available. There is a service to start the cleanup. All the testing and all the monitoring have shown that the levels of oil are still elevated. You could start that cleanup immediately, is what you can do.

Monitoring has been going on for an extensive period of time. Monitoring is what has been done since CN has been gone. Only with the community uprising has the CN monitoring been returned. They want to see action. They want to see you, because if it wasn't for that, we wouldn't be having the protest that is going to be happening. They are tired of seeing the monitoring. They want to see a cleanup. They want to see action.

I'm going to move on to something else, Minister. There are three parts to this question. Unfortunately, we didn't get time—the Ontario Native Welfare Administrators Association is meeting today as we speak here in this city. They are gathering to speak about a very important program to First Nations in Ontario: social assistance. A paramount concern of the ONWAA and the First Nations is dealing with the issue of grinding poverty in First Nations throughout Ontario.

Minister, as your ministry and other ministries are integral to advocacy for First Nations, I have three questions that have focused on Ontario's social assistance changes and respect for both the needs and jurisdiction of First Nations:

(1) How is Ontario engaging with First Nations on the poverty reduction strategy in Ontario?

(2) How is Ontario engaging First Nations in the province's current social assistance reform?

(3) What is your ministry's position on the promotion of First Nations jurisdiction in the context of social assistance reform and strategy in Ontario's poverty reduction policy?

**The Chair (Ms. Cheri DiNovo):** I'm afraid it's going to have to stop there.

**Mr. Michael Mantha:** I know you won't be able to answer it, but I expect a written response.

**The Chair (Ms. Cheri DiNovo):** We now move to the government side—

**Hon. David Zimmer:** I just missed the part of the third question there. Can you—

**Mr. Michael Mantha:** What is your ministry's position on the promotion of First Nations jurisdiction in

the context of social assistance reform and strategy in Ontario's poverty reduction policy?

**Hon. David Zimmer:** Thank you. And thank you for that leeway, Chair.

**The Chair (Ms. Cheri DiNovo):** No problem. Ms. Kiwala.

**Ms. Sophie Kiwala:** I would also like to acknowledge Regional Chief Isadore Day for being here today. I'm sure you can feel by the intensity of the atmosphere in this room that we are all committed to ameliorating the situation with our indigenous people. Every single person who is here in this room is concerned and has a considerable stake in ameliorating the situation. I can tell you that from the bottom of my heart. So, thank you for being here.

The MPP for Essex is angry and it's understandable. Many of us are angry and we are doing the best that we can to—

**Hon. David Zimmer:** And he's not interested in any real answers, or the two of them would not have left. I just want to note that they both left, for the record.

**Ms. Sophie Kiwala:** Well, anyway, we're going to move on.

**Hon. David Zimmer:** I'm sorry, you're back? I take that back. MPP Mantha has returned.

0950

**Mr. Michael Mantha:** I've lost a little bit of weight, but I'm still here.

**Ms. Sophie Kiwala:** We're going to move on. I do want to continue with my time, since it is limited. I would like to focus on some of the positive things that we have been engaged in in the province. I think it's extremely important that we have this opportunity to highlight some of the progress that has been made.

In the short time that I have been the PA to this ministry, one thing that I have been very impressed with is the percentage of indigenous people you have working in your ministry. I've been very impressed with the integrity, the level of staff and the level of commitment and experience that you have behind you in the ministry, so I do want to give your staff a bit of a shout-out in that regard.

In June 2015, you and the then Minister of Training, Colleges and Universities, Minister Moridi, were at Six Nations Polytechnic in Ohsweken to announce stable funding for indigenous post-secondary education totalling \$97 million over the next three years. I have to say that that was a great announcement. I'm very pleased that we are making those investments to improve educational success and opportunities for indigenous peoples. I think that it does exemplify the fact that we are very committed to closing some of those gaps.

I've seen evidence of this in my own community. St. Lawrence College has an excellent indigenous teachers program where we are teaching teachers how to teach the aboriginal curriculum, so we're making progress there. Within St. Lawrence College we've got indigenous student advisers, student bursaries and all kinds of programs related to cultural competencies.

Queen's University, in the Four Directions, also has some excellent cultural programming. They've got great academic services. They have cultural events, exam support, peer helper programs, and they even have an indigenous program for indigenous engineers. So we are very focused on making changes to close those gaps.

Indigenous institutes like Six Nations Polytechnic provide opportunities for students to start and complete post-secondary education credentials in a culturally appropriate and safe learning environment, and close to home. We've heard about the gap. It has been well discussed in the media, and I think the investments that we are making in indigenous institutes do prove that we are committed.

I see that in 2015, the Centre for the Study of Living Standards reported that if the educational attainment gap between aboriginal and non-aboriginal Canadians was closed by 2031, it would result in 90,000 more indigenous workers, increase indigenous employment income by \$11,236 per worker, and lead to a cumulative gain to the Canadian GDP of up to \$261 billion in 2010 dollars.

Only 53% of the aboriginal population ages 25 to 64 has achieved some form of post-secondary education, whether it's apprenticeships, trade certificates, diplomas, college or university degrees, compared to 65% of the non-aboriginal population. All Ontarians, including First Nation, Métis and Inuit learners, deserve equal access to high-quality post-secondary education and skills training programs that will help them get good jobs.

My question to you, Minister: Can you tell this committee how our government's investments in indigenous institutions can be used to provide more opportunities for indigenous learners?

**Hon. David Zimmer:** Thank you for that question. First, let me yet again reference The Journey Together, because one of the five themes in that report, which was our response to the TRC, is closing the gaps and removing the barriers, so closing the gaps in economic opportunities and removing the barriers to economic opportunities, and, similarly, closing the gaps and removing the barriers to education, training and skills development. That's front and centre of this report.

Secondly, just the other day—it's now posted online—I received my new mandate letter. As you know, we prorogued and came back, so there's a new series of mandate letters. Specifically, in my mandate letter, in bold print, it says, again in reference to the issue of closing the gaps and removing the barriers, which is the premise of your question—I'll just read what my mandate letter says on that point.

“—Improving socio-economic outcomes for indigenous peoples living in urban communities by continuing to co-develop an Urban Indigenous Action Plan with indigenous partners.

“—Supporting the Minister of Education's work to improve educational outcomes, closing the achievement gap for indigenous learners by 2020 and significantly increasing graduation rates for indigenous learners.

“—Supporting the Minister of Health and Long-Term Care in the northern First Nations Health Action Plan and investments to expand access to indigenous mental health and addictions treatment and healing centres and mental health and wellness programs.”

The additional mandate is entitled “Building Economic Opportunity,” which again is the premise of your question. My mandate from the Premier is to drive “cross-government work and collaboration with indigenous peoples to ensure that indigenous people share in the benefits of natural resources, including forestry and mining, and are engaged in resource-related economic development.”

In that regard, we've launched the Indigenous Economic Development Fund in October 2014; that's a \$95-million fund over 10 years to help create jobs and improve economic outcomes. We've worked with the Ontario's Women's Directorate to develop and launch Walking Together; that's the long-term strategy to end violence against indigenous women.

In a more general vein, the clear mandate, what the Ontario government is going to look for, is to work with our sector stakeholders and indigenous partners, because we really, really want to recognize the importance of education as a means of lifelong learning opportunities and as a means to better employment opportunities and outcomes for First Nations.

We are proud that the government continues to support indigenous institutions such as, as you've referenced, the Six Nations Polytechnic. For those of you who have not had an opportunity to visit the Six Nations Polytechnic at Six Nations, I would urge you to go over and see that institution. It is a model of what a learning polytechnic should look like. In addition to their own programs, they are partnering with McMaster University—and, I believe, the University of Waterloo? McMaster University for sure, and they are exploring other opportunities, I think—I stand to be corrected on this; I'll check it—also with the University of Waterloo.

The important thing here, when we're developing these educational programs and initiatives, is that they be culturally sensitive in the delivery of the models, that they be specifically tailored to the indigenous communities and—this is another very important aspect of it—that we figure out some way to blend face-to-face learning, online courses and independent study.

#### 1000

Face-to-face learning is very important because, of course, the two faces are the student, if you will—the learner—and the teacher. The teacher not only is imparting knowledge, direction and all of those things, but is also, in a kind of subliminal way, indirectly acting as a mentor for that student, and the student often is inspired by the teacher. How many of us here—I can speak for myself from a couple of personal experiences—have been inspired by a teacher, where someone has created the interest, created the ambition and created the confidence to pursue a particular course of study? I expect all

of you have had that experience. So that aspect of education, training and skills development is hugely important.

Indigenous institutes were specifically created by indigenous communities to meet the training and education demands of indigenous communities. They particularly want, and continue to do so, to develop those programs in collaboration with our community colleges and our universities. I've referenced that the Six Nations Polytechnic has relationships with the colleges in the area, in addition to McMaster University and, I think, the University of Waterloo.

These institutes provide opportunities for the students to start and complete—and I can't emphasize enough how important the completion of it is. As you know, one of the great challenges facing students across the spectrum, if you will, but particularly facing First Nation indigenous students, is the completion of the program. There are many challenges to working with students to complete whatever program they've been attracted to in the first place. Here again, the cultural sensitivity with which the programs are designed, the role of the teacher, the instructor, the mentoring and the counselling services that are available at the institutions are so important, and we have to pay great attention to the design of those.

As I've said, the institutes are also offering both college and university credentials through partnerships with the colleges and universities. I can tell you that has been a particularly successful program, because not only are the indigenous institutions and the indigenous students learning from the colleges and universities what they have to offer, but interestingly enough, the flip side of the coin is that the colleges and the universities that they're partnering with are also learning very, very important lessons about indigenous students, their particular challenges. So it's a two-way relationship. Both parties are benefiting, the institution and the partnering institution, the college or the university—and the beneficiary is the student. If the student is benefiting, the community is benefiting; and if the community is benefiting, indigenous communities as a whole are benefiting.

We are supporting a number of key initiatives that will help more First Nation, Métis and Inuit learners access high-quality post-secondary education and training. In March 2011, Ontario released—and this is very important—the Aboriginal Postsecondary Education and Training Policy Framework. That was to guide the development of these policies and programs that I've referenced, to close the education attainment gaps and labour market outcome gaps for indigenous learners, to enhance the indigenous student experience—and I've talked about that, the importance of teachers and mentors and counselling in a very sensitive way.

Since the introduction of that framework, I can tell you that very significant advances have been made for First Nation, Métis and Inuit learners across the post-secondary education, training and employment sectors. Those advances and achievements are reflected in various statistics that are available.

The funding of these programs is one of a number of actions that Ontario is taking. We do want to engage with

the post-secondary sector on the results of the aboriginal post-secondary education and training policy framework, because when we look at the results, there are lessons to be learned there: What's working? What can work better? What new ideas have germinated from this working through the framework?

The framework is not a static document. It is a living document, a living framework—

**The Chair (Ms. Cheri DiNovo):** Minister, you have about three minutes.

**Hon. David Zimmer:** I'm sorry?

**The Chair (Ms. Cheri DiNovo):** You have three minutes.

**Hon. David Zimmer:** Ah. This concept of investing in the talents and skills of First Nation, Métis and Inuit learners is part of the broader economic plan that Ontario has to both build up First Nations, build up the province and, broadly speaking, build up the country. If we close the gaps and we help indigenous students get on the right track, develop skills and obtain education qualifications and so on, that's hugely rewarding to the students personally. It's hugely rewarding to the communities.

I've been to some graduation ceremonies and you have no idea—you have to see it to see the sense of pride, achievement and confidence on the faces of the students as they're recognized for the work they've done. When you look around the room and see the family members there, the parents of the students, their siblings and relatives and, broadly speaking, other community members, there's a tremendous sense of pride in the community as a whole also in these achievements.

The net result of all of this is that not only are we technically closing economic gaps in the sense of better-paying jobs, qualifications that lead to professional skills and all of that sort of stuff, which translates into jobs, money in the pocket, payroll and all of that, but—I come back to this because I think it's very important—the emotion that's reflected in the sense of, "I can do it. I've done it. I've done this course. I've completed it. I'm proud. My ambition is fired up. I've got the confidence that I can take my qualification or my skill, and I can go out and tackle the world."

That's really at the heart and the core of closing the gap, this sense of, "I can do it. My community can do it. We're going to do well in the world." We're going to close the gap. It's going to be a level playing field.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. Your time is up now. We now move to the official opposition. Mr. Miller.

**Mr. Norm Miller:** At the end of my last session I had posed a question, but we ran out of time, so I'll re-pose the question.

*Interjection.*

**Mr. Norm Miller:** Are you giving time signals?

**Hon. David Zimmer:** No. I'm just getting a sense of how much time we had left.

**Mr. Norm Miller:** I think there's seven minutes left.

**Hon. David Zimmer:** Oh. I didn't want to turn and distract my attention from—

**Mr. Norm Miller:** If the clock is accurate, we have till 10:15.

At the end of the last session, I was posing a question, and I'll restate it. It's about commitments made and where progress is to date. In the Journey Together document, it says that you will work with the federal government to address the United Nations Declaration on the Rights of Indigenous Peoples. Specifically, Minister, the question is, I'm wondering how your commitment to work with the federal government to address the United Nations Declaration on the Rights of Indigenous Peoples will actually unfold when Minister Wilson-Raybould has said, "Canada cannot simply incorporate the declaration 'word for word' into law."

1010

**Hon. David Zimmer:** Yes, this is an important question. Thank you for this, Mr. Miller.

The UNDRIP is directed toward states, and Canada is the lead for addressing UNDRIP. We are going to work, and we have been working, with the federal government as it moves forward with its plan that is being developed to implement UNDRIP. I was there at the start with Minister Bennett in New York at the United Nations when the announcement was made. However, the values reflected in UNDRIP are consistent with Ontario's approach to indigenous affairs. Our approach is rooted in a commitment to establish and maintain constructive and co-operative relationships based on mutual respect that will lead to improved opportunities for all indigenous peoples.

So, into the detail: There are a number of current provincial initiatives that address topics that are also found in the UNDRIP, so the province is not new to its response to the UNDRIP; in fact, we've been doing many things that are contemplated in UNDRIP. What are some of those things that we've been doing? I'll go through a number of things that we've been doing, but I should say that we've also been impressing upon the federal government: "Here's what we've been doing in Ontario." Ontario, in many ways, is ahead of the game, if you will, ahead of the initiative. We've been doing a lot of things over the last few years that the previous federal government had just sort of neglected. In some ways, they're correcting that and looking to Ontario for advice on these issues.

The first issue is the treaty strategy that we have here in Ontario. The treaty strategy commits the government to promote public awareness on treaties. I've talked about that at some length. It commits us to facilitating constructive engagement on treaties to revitalize treaty relationships that have, in many cases, been dormant or left behind or ignored. That idea of revitalizing the treaty relationships that have perhaps been dormant is inherent in the United Nations Declaration on the Rights of Indigenous Peoples; that is, the recognition of treaties. Ontario is well along that road. We are providing advice to the federal government on this issue.

We also have the Ontario Indigenous Children and Youth Strategy that's being managed through the

Ministry of Children and Youth Services. We also have the Anishinabek Nation-Ontario master education agreement, which is being run out of the Ministry of Education and the ministry of advanced learning. They both put a huge emphasis on the participation of indigenous communities in decision-making and supporting their own distinctive institutional structure and customs. When you read through the United Nations Declaration on the Rights of Indigenous Peoples, that sort of theme is woven throughout the document.

Mr. Miller and Mr. Mantha, if you don't have a copy of this little handbook, I can get you one. It is well worth keeping on your desk. I keep this on my desk and I know everybody else in the ministry does.

We also have the Aboriginal Economic Development Fund and the First Nations gaming revenue sharing agreement. These are examples of how Ontario is ahead of the exercise in addressing the themes in the UN declaration.

We've got Ontario's Walking Together strategy—I've referenced this one in previous sessions—which is our long-term strategy to end violence against indigenous women. We've backed that up with dollars.

Again, these themes I've referenced that Ontario has already got under way—the idea, the approach, is sort of woven throughout this declaration. We are providing our best advice and encouragement to the federal government as they develop their plan, and we will work closely with them.

**Mr. Norm Miller:** So I was—

**The Chair (Ms. Cheri DiNovo):** I'm afraid that's it. We now stand recessed until 3:45 this afternoon.

**Mr. Michael Mantha:** Just on a quick point of order, Chair.

**The Chair (Ms. Cheri DiNovo):** Mr. Mantha.

**Mr. Michael Mantha:** Just to help the minister understand something: I don't want him to confuse my passion for my anger. He needs to understand that Gogama is my hometown and there is a big difference. I won't speak for my colleague from Essex, but I want to make that point to you: Don't confuse my passion for some anger.

**Hon. David Zimmer:** I did not confuse your passion for your anger. Your passion is well-placed. The Premier has made it clear in mandate letters that everybody should have secure, potable water—period, end of story. Thank you for that, Mr. Mantha.

*The committee recessed from 1015 to 1605.*

**The Vice-Chair (Miss Monique Taylor):** Good afternoon. We are now going to resume consideration of vote 2001 of the estimates of the Ministry of Aboriginal Affairs. There is a total of two hours and 40 minutes remaining.

When the committee recessed this morning, the official opposition had 14 minutes left in their round of questioning. Mr. Miller, the floor is yours.

**Mr. Norm Miller:** Thank you, Madam Chair.

I'm going to continue and ask some questions for the Chiefs of Ontario. One of the questions that I asked this morning was about details on new commitments, specifically the \$150 million over three years to close gaps and

remove barriers, including the \$3.5 million in 2016-17 in life promotion supports and \$2.3 million in 2016-17 in new mental health and addictions supports. You're working on it, was kind of the answer that I got, and there weren't a lot of details on that.

But in answer to some of the other questions, you were talking about closing the gap and some of the challenges with economic opportunity, for example, and that you looked to forestry and mining as a part of the economic opportunity to help close the gap for indigenous communities. I would agree with that. Currently, mining is the biggest employer of indigenous people. I believe that 14% of the workforce is indigenous people. I think that's great and I think that's the hope, especially for the more remote First Nations communities, the best hope.

I think that preparing those communities to be able to take advantage of opportunity is something the province should be doing, whether it be through education and getting some of the basic levels of education up where there are big gaps currently; also, as you move up the education chain to better training. I know that the minister had highlighted some school that he was quite proud of. I think that is really important work that has to be done.

We also have in northwestern Ontario what the government has talked about quite a bit; that is, the prospect of the Ring of Fire, as it's called, the chromite discovery, which is supposed to be the biggest chromite discovery in the world. It does hold out some hope for economic development in the northwest, and jobs and benefits for indigenous communities. It has been going on for quite a long time, and we're not seeing a whole lot of progress. I would be the first to congratulate the government if we could see some progress on that project.

Just this month, Northern Ontario Business magazine has an article with the headline "Noront"—the biggest company in the Ring of Fire area, that has a lot of the claims and has a couple of camps there. The headline is, "Noront Expects Ring of Fire Road Funding Announcement Soon." It says:

"With a funding announcement for a permanent Ring of Fire road expected shortly, Toronto-based Noront Resources is enlarging its land package in the James Bay camp and is devising a multiple mine development plan."

Skipping ahead, it goes:

"In a news release, the company said it's now waiting on Ottawa, Queen's Park and area First Nations to jointly announce plans to fund a permanent west-to-east access road to connect the remote communities to the outside world by an all-season road, and also reach the exploration camp...."

"Noront expects to access the mine through the road corridor to be shared with local First Nations communities."

It goes on to say, "Furthermore, a ferrochrome smelter will be constructed at a yet to-be-determined brownfields site in Ontario."

**1610**

This project is, I think, one of the biggest hopes for the province for mining, for economic development, particu-

larly for indigenous communities. I'm wondering if there's an update on the status of that road and the various negotiations to make this become a reality?

**Hon. David Zimmer:** Thank you for that question, Mr. Miller. Of course, the mining development in the north and the impact it will have on indigenous communities is enormous. Having said that, the development of the mining sector in the north is something where we have to work very carefully and diligently in partnership with First Nations. The reference to the Ring of Fire—that would be the Matawa tribal council, which is composed of nine First Nations that are situated in the Ring of Fire area.

We also have to partner closely with the federal government, and of course Ontario has its role. As you know, Ontario made a commitment in the budget the previous year and, more recently, in the budget this past spring. We've got \$1 billion on the table, and we are working very carefully—I don't know if "carefully" is—we are working very forcefully with the federal government to ensure their participation.

Along with that, we're working very closely with the Matawa tribal council, the nine First Nations. With respect to the involvement of the Matawa tribal council, they are being advised by a former Premier of Ontario, Bob Rae, who acts for the Matawa tribal council; and the province of Ontario, in its negotiations and conversations with the Matawa tribal council, has engaged the services and advice of Mr. Frank Iacobucci, who's a retired Supreme Court of Canada judge. Also, interestingly, he was the author of the report that looked into the issues around jury selection in the Thunder Bay area principally. There was an issue of First Nations members not being adequately represented on jury panels and so on. So Justice Iacobucci has a deep interest and a very good and experienced skill set in these matters.

As I said, we remain committed to this project, working it through with First Nations, the Matawa tribal council, our federal partner and our own ministry. The lead minister on the negotiations and the transportation corridor issue, of course, is the Minister of Northern Development and Mines, Minister Gravelle.

I've had conversations with Justice Iacobucci, with former Premier Bob Rae and with the indigenous leadership on these issues, both with Regional Chief Day and others, and I've also had conversations with Noront through their president, Alan Coutts. I think I can say that everybody wants to see a way through on this project.

Just speaking for the Ministry of Northern Development and Mines, they recently approved—I think it was \$125 million over the next five years in funding for community benefit funds. The funding is to be used as a mechanism for funding key community priorities for the Matawa tribal council and First Nations. It's to be used for and is being used to support infrastructure and mineral development in the Ring of Fire, and—

**Mr. Norm Miller:** Sorry to interrupt you. That's \$125 million over five years announced by northern development and mines? Is that part of the \$1 billion that has been committed to in a few budgets by the government?

**Hon. David Zimmer:** No, the \$1 billion is set aside for the transportation corridor.

**Mr. Norm Miller:** So this \$125 million is not for the transportation corridor?

**Hon. David Zimmer:** It's to be used for communities, for, in effect, capacity building within the communities so that they can engage in the process and also other benefits—infrastructure pieces and so on—but not specifically for the to-be-decided-upon transportation corridor.

**Mr. Norm Miller:** Okay. Thank you.

**Hon. David Zimmer:** In 2013, the Ministry of Indigenous Relations and Reconciliation provided a one-time investment of \$3 million for projects focused on providing skills training and other social, community and economic development supports to help the First Nations in the area participate in potential Ring of Fire developments.

This issue of skills training: If the project is going forward, there are going to be a lot of employment opportunities. A lot of those, if not most of those, are going to be skilled trades. So we need to build up the capacity of the Matawa community so that they have the skill sets to take advantage of the economic opportunities—jobs and employment and so on—that will flow from the construction of the transportation corridor, the development of the mines and so on.

The Ministry of Indigenous Relations, in partnership with the Ministry of Northern Development and Mines, has also provided another \$225,000—we did that in 2013-14—so that the Matawa tribal council could establish their own independent resource—

**The Vice-Chair (Miss Monique Taylor):** Three minutes left, okay, Minister?

**Hon. David Zimmer:** Sorry?

**The Vice-Chair (Miss Monique Taylor):** Three minutes.

**Hon. David Zimmer:** Thank you, Chair—to establish their own resource development office. Again, that's a piece of capacity building, because when we potentially go into these projects, of course the federal government and the provincial government and the private sector have access to resources to conduct negotiations and take decisions and so on. We want to see that the First Nations there have the same capacities. We want to create a level playing field so that, sitting around the negotiation table, they have the resources to respond to issues that are brought to the table with respect to the Ring of Fire development.

First Nation communities in the Ring of Fire region are also receiving funding from something called the New Relationship Fund. That's designed to support their participation in consultations and engagement with the government and the private sector on these lands and resources matters. Again, that's a capacity-building issue.

I'm going to take the last couple of minutes and ask Assistant Deputy Minister Shawn Batise to offer his thoughts, because he is deeply involved in the negotiation process and I know he has a perspective.

**Mr. Shawn Batise:** Thank you.

**The Vice-Chair (Miss Monique Taylor):** Start by identifying yourself for Hansard, please. Thank you.

**Mr. Shawn Batise:** Shawn Batise, assistant deputy minister, negotiations. While I don't have any direct involvement in the Ring of Fire, in my previous position at the Wabun Tribal Council over the last number of years I've negotiated six IBAs with various mining companies for the six communities that I worked directly for.

Since that time, over the last 10 to 15 years, I know that we've seen in the communities that I worked for at the time that the increase in unemployment is, I would argue, at or near zero. The folks who want to work are working in the community. I can say unequivocally that a good deal with a mining company that is well negotiated can provide a lot of employment, and not just employment—spin-off opportunities. I think that the Matawa tribal council is aware of this and is working diligently toward it.

1620

The one thing that I can say is that, in order to be able to do these negotiations and the engagement successfully, we need capacity on the ground. I can say that the NRF through this ministry, for the consultation people who we had on the ground dealing with mining companies, forestry—really, they're overwhelmed. But nevertheless, they're there, and the funds are provided through this ministry, without which we would never be able to move forward.

**Mr. Norm Miller:** And the communities in the area of the Ring of Fire, the nine communities that were referenced—

**The Vice-Chair (Miss Monique Taylor):** I'm sorry, Mr. Miller, but that is all of your time.

**Mr. Norm Miller:** I'll come back to that in my next time, I guess.

**The Vice-Chair (Miss Monique Taylor):** We're going to go on with the NDP. Ms. Gélinas.

**Mme France Gélinas:** I would like to come back a bit to an event that MPP Kiwala attended on September 17, and that was the unveiling of the commemorative monument for Charles Henry Byce. I was contacted by the Ontario Native Education Counselling Association regarding this monument in Chapleau.

*Interjection.*

**Mme France Gélinas:** Yes, absolutely.

The monument came to be because of the Ontario Native Education Counselling Association, the Chapleau Cree First Nation and the Royal Canadian Legion, as well as the town of Chapleau. They had put a proposal to the province to fund \$20,550 of this over \$150,000 project.

They had talked with Mr. Phil Donelson from the Premier's office, who had directed them to Mr. James Janeiro. Mr. James Janeiro, on August 18, told them that they would be receiving funding in the amount of \$20,550 for the Byce commemoration.

Then, on August 23, he called again and said that Ms. Maya Gorham, the chief of staff from the Ministry of

Tourism, Culture and Sport, was going to contact them so that they would know exactly what to sign. He informed them that the money would not be transferred in time, but they would have a written funding commitment by then.

This time frame came and went. The commitment was not kept. She left numerous messages on the voicemail. Then, on August 26, she received an apology from Mr. Janeiro, saying that he'll be in touch sometime in the next week.

You can imagine: We're talking about an unveiling going on on September 17, and we're now in the first week of September. Then he drops the bombshell that the money that they had been counting on was not to be forthcoming and that this commitment was also not kept.

I understand that Ms. Kelly Patrick from the Ontario Federation of Indigenous Friendship Centres has talked to you, Minister, about this very issue, trying to get it resolved—

**Hon. David Zimmer:** I'm sorry, who spoke to me? I missed that.

**M<sup>me</sup> France Gélinas:** Ms. Kelly Patrick from the Ontario Federation of Indigenous Friendship Centres.

They have reached out to me because they feel that this entire project really has reconciliation at heart. Mr. Charlie Byce himself spent time at the St. John's Indian Residential School in Chapleau. The entire ceremony was really about reconciliation. But now they find themselves with this \$20,550 shortfall because of having been strung along by your government, basically—that they were going to receive that funding, which they never did.

I was wondering if there's anything that you can do to help them.

**Hon. David Zimmer:** That's a very detailed question. I will endeavour to look into this and see what we can do.

I do remember the conversation with Ms. Patrick. I think that she was from the OFIFC, the centre in Timmins.

**M<sup>me</sup> France Gélinas:** Correct.

**Hon. David Zimmer:** Yes. We had a very good tour of the friendship centre in Timmins and a good meeting with Ms. Patrick and her staff at the friendship centre. We discussed a range of issues, and this did come up. I will see what we can do. We'll look into it.

**M<sup>me</sup> France Gélinas:** How will you get back either to them or to me, and what kind of time frame are we looking at?

**Hon. David Zimmer:** Let me go back to the office, and the deputy and I will look into this and provide you and Ms. Patrick with what we can provide.

**M<sup>me</sup> France Gélinas:** We're going into Thanksgiving next week. Is it reasonable to think that the week after that, in about two weeks from now, either they or I will hear back?

**Hon. David Zimmer:** Let me look into it and develop the facts, but I assure you that I will endeavour to do what I can as soon as I can.

**M<sup>me</sup> France Gélinas:** Okay. We'll let them know. Just to let you know, you may hear about this again from other sources. Just to put a little bit of context to this, this

was a beautiful ceremony—and I know that MPP Kiwala was there—and the spirit of reconciliation was there. He was honoured; everybody was proud of what this indigenous man had done.

They had started a fundraising campaign for those projects—it was actually two, one plaque and a statue in another part of the province, and then the one in Chapleau. They had started a fundraising campaign that was quite successful, but once they had reached their goal, they knew that the federal government was giving them \$111,000; they received it. They had reassurance in numerous phone calls from this man from the Premier's office telling them that they would receive \$20,000 from the province. The rest of it they had fundraised themselves. Case closed: They had enough money, the celebrations went on and everybody was happy.

But now to go back after the fact and say, "No, you're not going to get the money," and ask them to raise—they are in a very bad situation to ever be able to make up that \$20,000, which cast a really very poor shadow on something that should have been a huge step toward reconciliation. Now it's a huge step toward fighting the provincial government—not what we wanted to happen.

**Hon. David Zimmer:** I will look into this and we will get back to you and to Ms. Patrick. As I say, I do remember the conversation, or being told about this. And you're quite correct: It was something that the friendship centre and Chapleau were very proud of. But I or the deputy or somebody in the ministry will call and speak to Sylvia Maracle, the executive director of the Ontario friendship centres, who may know something about the details and will also—

**M<sup>me</sup> France Gélinas:** They were not the main lead. The lead was the Ontario Native Education Counselling Association. That was the main lead, and it's Debra Dupuis who is in charge of the Charles Henry Byce commemoration. She was the one in charge and she was the one who received all of those phone calls from the Premier's office. It's just that there are many people on the committee, and when Ms. Kelly Patrick had an opportunity to see you, because they worked together, she brought it forward. But the main lead for the project is Debra Dupuis.

**Hon. David Zimmer:** All right. The deputy has made some detailed notes on this contact person that you've just given us. We'll look into it.

**M<sup>me</sup> France Gélinas:** Okay. Thank you very much. My next questions—

**Hon. David Zimmer:** Is there anything you'd like to add, Deputy?

**M<sup>me</sup> France Gélinas:** It's a small amount of money and a small gesture that would buy a lot of goodwill.

I'm now on the completely different topic of land claims. This is a topic that I've talked about already during the estimates. But I wanted to find out, when we looked at the estimates, how much the government has spent on negotiating—not the settlement, but the actual negotiations—for land claim agreements. I would go for the last 12 years or 13 years, the years that the Liberal

government has been in power. I'm interested in finding out how much was spent on, basically, legal costs from outside the government to handle land claims.

1630

**Hon. David Zimmer:** Thank you for that question. That's probably only the second or third truly technically estimates-related question. Of course, estimates looks into the budgets of the ministry and so forth, so thank you for that opportunity to get into the actual numbers of what happens at the ministry. The financial guru will respond.

**Ms. Esther Laquer:** Hi. I'm Esther Laquer, director of corporate management at indigenous relations. We don't track expenditures for staff costs related to negotiations, but I believe that's not what you're looking for.

**M<sup>me</sup> France Gélinas:** No. I'm looking for outside legal help. I fully understand that within your office you would keep an eye as to the different land claim negotiations going on. It probably would not come from your budget, your budget being rather small. Whether it's from the Ministry of the Attorney General or another ministry, how much is spent on outside legal help, or any other kind of help, to help the provincial government be a part of those land claim settlements?

**Ms. Esther Laquer:** I would likely suspect that ADM Batise can respond better to this. I can tell you that there are some land claims where we would hire a chief negotiator on behalf of the province to coordinate the negotiation efforts where multiple ministries are involved. The Algonquin land claim is one of those files, but I'll let ADM Batise speak to the details.

**Mr. Shawn Batise:** I'm Shawn Batise, assistant deputy minister for negotiations. You are probably referring to the settlements, negotiations and claims funds, the SNCF, so how much money and resources we are providing to the First Nations to negotiate the claims?

**M<sup>me</sup> France Gélinas:** Certainly I'm interested in how much in resources the provincial government provided to First Nations for negotiating the land claims agreements, but also from the provincial government. Did we hire negotiators? Did we hire lawyers to help us be a part of those negotiations? If we did, how much did we spend?

**Hon. David Zimmer:** Just to zero in and make sure I understand your question: Essentially, what you're asking is the provincial costs to negotiate and settle land claims?

**M<sup>me</sup> France Gélinas:** Yes, by year for the last 12 years, or as far back as—

**Hon. David Zimmer:** I'll take you back to 2003. Since 2003, Ontario has settled 22 land claims with 23 First Nations. I must say, that's a substantial accomplishment, considering that in the previous two decades—that is, the 20 years before 2003—the province settled 18 claims over 20 years.

Of those 22 settlements that I've just referenced—I'm going to get into the costs in a second—15 were reached in nine years following the release of the Ipperwash report nine years ago. The Ipperwash report put a big emphasis on coming to grips with these land claims. That

included five settlements that were reached in 2015, one of which was with two First Nations, and a more recent settlement this year, 2016.

The 22 settlements since 2003 have involved the transfer of 68,488 acres of crown land to be added to the First Nation reserves, and financial compensation packages that amounted to \$120 million. The six settlements that were reached in 2015 and 2016 involve 13,838 acres, and \$12.2 million in financial compensation. So when you total up Ontario's contribution to all the 40 settlements, it amounts to approximately 357,000 acres and \$165 million in financial contribution.

So in 2015, the Ministry of Indigenous Relations and Reconciliation budgeted approximately \$13 million for the negotiation of land claims across the province. This amount includes funding to enable the indigenous communities to negotiate with Ontario; that is capacity funding. That amount does not include any amount paid out as a settlement. So those are the costs of getting to settlement.

I can give you some more details on money spent over the last years, if you would like.

**M<sup>me</sup> France Gélinas:** Yes. You're finally going to the right track. So the \$13 million—that's for last year. Did the full \$13 million go to capacity funding for the First Nations negotiating or did part of this also pay for the chief negotiator and the legal representation of the province that is not paid with existing staff but has to be hired outside?

**Hon. David Zimmer:** The director, negotiation branch: The cost of that over the years that I've referenced came to \$1,877,422.

**M<sup>me</sup> France Gélinas:** So the years that you referenced—you referenced many years. Are we talking 2015-16 here?

**Hon. David Zimmer:** No, no. That wouldn't be \$1.8 million for one year. That would go back to—

**Ms. Deborah Richardson:** These are all staff, the whole branch.

**Hon. David Zimmer:** Yes. This is all staff, the whole branch.

**M<sup>me</sup> France Gélinas:** It's not the staff from the branch I'm interested in. From the \$13 million, I understand that some of it goes to the First Nations. How much of it goes to lawyers who represent the province, not the First Nations? How is the \$13 million broken down?

**Hon. David Zimmer:** I will get back to you on that. *Interjection.*

**M<sup>me</sup> France Gélinas:** I think Shawn has something to say.

**Hon. David Zimmer:** I'm sorry. Go ahead.

**Mr. Shawn Batise:** The lawyers that represent the province are internal to the ministry itself, through MAG at legal services branch. We have our own group of lawyers who work on this, so the costing would be included in the overall ministerial budget; there's not an outside cost.

As I think the minister was trying to say, in Algonquin, we do have a specific outside negotiator contracted to do that.

**M<sup>me</sup> France Gélinas:** All right. So who pays for the chief negotiators for the Algonquin claim?

**Mr. Shawn Batise:** Representing the province?

**M<sup>me</sup> France Gélinas:** Representing the province, yes.

**Mr. Shawn Batise:** We pay for that.

**M<sup>me</sup> France Gélinas:** Okay. And they are not employees of the ministry, they are an outside negotiator?

**Mr. Shawn Batise:** We have one outside negotiator and the rest are employees of the province.

**M<sup>me</sup> France Gélinas:** Okay. Can we find out how much the province is spending per year on this outside negotiator?

**Mr. Shawn Batise:** Yes, we can get back to you on that.

**M<sup>me</sup> France Gélinas:** Okay. We'd appreciate it.

And whatever amount of money you give me, is this part of the \$13 million that has been spent for negotiations in the last two years?

**Mr. Shawn Batise:** In 2015-16?

**M<sup>me</sup> France Gélinas:** In 2015-16. So of that \$13 million, did that all go to First Nations or did some of it go to the chief negotiator that we hired for the Algonquin—

**The Vice-Chair (Miss Monique Taylor):** Two minutes.

**M<sup>me</sup> France Gélinas:** We'll find that out and you'll let me know?

**Mr. Shawn Batise:** Portions of it were to the communities and, as I was saying earlier, under the SNCF, the negotiations funds for the communities under transfer payments, part of it was Algonquin. So about \$6 million.

**M<sup>me</sup> France Gélinas:** Okay. So \$6 million went which way?

**Mr. Shawn Batise:** To the First Nations.

**M<sup>me</sup> France Gélinas:** Some \$6 million to the First Nations and the other \$7 million—

**Mr. Shawn Batise:** Was internal to the ministry.

**M<sup>me</sup> France Gélinas:** That's the part I don't get. "Internal to the ministry": That means it's part of your budget?

**Mr. Shawn Batise:** Yes.

**M<sup>me</sup> France Gélinas:** Okay. Spent on staff or spent on outside consultants?

**Mr. Shawn Batise:** Staff.

**Hon. David Zimmer:** Staff. There's one outside negotiator.

**M<sup>me</sup> France Gélinas:** Okay. I'm trying to find out how much we paid.

**Hon. David Zimmer:** And he's been on the Algonquin file for a long time.

**M<sup>me</sup> France Gélinas:** So you will share with me how much we've paid year-by-year for this outside chief negotiator—that's what I call him—whatever you call him?

**Hon. David Zimmer:** Yes. It's a part of the estimates.

**M<sup>me</sup> France Gélinas:** I know, but I cannot find it. That's why I'm asking you guys to do the search.

**Hon. David Zimmer:** All right. We'll get that for you.

**M<sup>me</sup> France Gélinas:** All right. And except for those two, are there any other parts of estimates, is there any other money that is being spent for negotiations? That's land claim negotiations.

**Hon. David Zimmer:** The negotiations for the Algonquins of Golden Lake come to \$4.074 million; the office of the deputy director, \$1.387 million. There's an Algonquin transfer payment for \$2,875,000—

**The Vice-Chair (Miss Monique Taylor):** Thank you, Minister. We're now going to go on to the government. Sorry, Minister.

**Hon. David Zimmer:** Okay. I've got one more number for you, but I guess next time around.

**The Vice-Chair (Miss Monique Taylor):** We're going to move on to the government and to Ms. Kiwala.

**Ms. Sophie Kiwala:** You can certainly go ahead and deliver your last figure.

**Hon. David Zimmer:** Thank you. I'll wait.

**Ms. Sophie Kiwala:** Okay. All right.

*Interjections.*

**Hon. David Zimmer:** I'll keep the member on tenterhooks.

**Ms. Sophie Kiwala:** While we're on the subject of land claims, I want to talk a little bit about that. I know you've covered a lot of details with respect to the land claims, but I would also like to go a little bit more in depth. I know in your new mandate letter, you've been directed by the Premier to continue to resolve land claims in a timely manner. I know this has been something that is a priority for both you, the Premier, your ministry and staff.

We touched a little bit on Justice Linden's final report of the Ipperwash Inquiry. In that report there was discussion of a constructive, co-operative relationship with indigenous people of Ontario, something that we've been very focused on and discussed a lot with your ministry during your time here. But going back to the report, Justice Linden stated that "the single biggest source of frustration, distrust and ill-feeling" among indigenous people in Ontario was the government's "failure to deal in a just and expeditious way with the breaches of treaty and other legal obligations."

This is something that has been part of our history, regrettably, as a nation and something that I'm extremely pleased that we are actively rectifying.

I spoke previously about my time at the Chapleau Cree First Nation's land claim ceremony. I mentioned a little bit about the jubilant atmosphere that we experienced there because finally, after more than 100 years, we were successful in signing that treaty. It was something that I think was celebrated by all members of the community and all parties who were there. From the provincial side, we of course have MNRF on the ground there, which was very supportive and did a lot of work in the background. They continue to do a lot of work there—fantastic, dedicated staff. I was able to witness the same from your ministry as well. It was quite an honour to be present at that time.

I'm wondering if you could just walk us through a little bit of our approach to settling land claims—any details that you haven't already discussed.

**Hon. David Zimmer:** Well, thank you for that question. I want to take a moment and just give a little bit of background leading up to this government's approach to land claims and our commitment to dealing with land claims.

As you know, there was a tragic situation in Ipperwash during the previous government's tenure. The Liberal in opposition, Michael Bryant—the member who then went on to become the Attorney General in 2003—led this charge, if you will, in opposition, demanding that a public inquiry be launched into the Ipperwash tragedy.

We formed the government in 2003. Michael Bryant moved from the opposition to the government side and became the Attorney General. One of the very first things that he did, and our government did, back in 2003 was to set up the Ipperwash Inquiry. The report of the Ipperwash Inquiry was led by Mr. Justice Sidney Linden. He released the report, as you indicated, in May 2007.

That was the foundation piece for our approach to land claims, because in that report Mr. Justice Linden made it quite clear, as you quite properly pointed out—the report stated quite clearly, in quite graphic language, that “the single biggest source of frustration, distrust, and ill feeling” among indigenous people in Ontario was the previous government’s “failure to deal in a just and expeditious way with breaches of treaty and other legal obligations to First Nations.”

That was the premise behind our policy on land claims and treaties and a whole range of reconciliation issues with Ontario’s indigenous persons and First Nations. So we owe a great vote of thanks to former Attorney General Bryant for seizing that initiative in opposition and then executing the inquiry when he became the minister and had the opportunity and indeed the responsibility. And we owe a great vote of thanks to Justice Linden for the time that he took and the care and the frankness and the sensitivity—and the insight into one of the core issues surrounding land claims and treaty obligations and reconciliation.

It was Dudley George who tragically lost his life, but his brother, Sam George, took up the cause of the inquiry and worked closely with the government after 2003 and indeed in opposition before 2003. He was such a driver, along with Minister Bryant, as he then was, on this issue that we actually now have, in the Ministry of Indigenous Affairs—and I invite anyone who wants to come and visit—a gathering room, which is something quite apart from the boardroom. You’ve seen it. A boardroom, as you know, is a traditional long table with chairs on either side of it. This is a gathering room, with an oval table. The room is chock-full of First Nation, Métis and Inuit art; the floors are designed, and the artwork. We went through tremendous effort with, of all people, the city of Toronto, because there’s a rule that you can’t burn things or create smoke in buildings and we wanted to have a facility so you could smudge in the gathering room when

we were talking about these and other sensitive issues. Anyway, after some cost and a lot of effort with the city of Toronto we can now smudge—after we changed all the vents and so forth.

I wanted to say that by way of respect for the work that those persons that I’ve identified have done on this file.

Let me walk you through the actual approach to land claims. I’m going to ask Assistant Deputy Minister Shawn Batise also to speak to it, because he has been up to his chin in negotiation work over the years. He can give you a sense of what it’s actually like to be in a negotiation.

**1650**

I’ve made the point that resolving land claims and land-related issues is one of the keys to the whole reconciliation process. Our approach to this is the recognition that resolving land claims through negotiations is far more preferable to litigation. Litigation causes people to—lawyers, and knocking back and forth and so on, often is not helpful to the reconciliation process, and it’s also very expensive. It’s expensive for the First Nation; it’s expensive for government.

As you know, and I referenced it earlier, the Premier has directed me through my mandate letter, and I quote from the mandate letter, to “continue to resolve land claims in a timely manner.” Earlier in a question, I identified the claims that we’ve recently settled, and I hope you got the clear sense that the land claims took a long time to settle. We didn’t settle many of them over that long time, but in the last couple of years, the process has been shortened and the number of land claims that have been settled has shot way up. That’s because we’re doing a lot through negotiation as opposed to litigation. We have various mechanisms in place and attitudinal changes, wanting to get through the negotiation, to finish the negotiation in a respectful way. That goes a long way to a good result. A good result is something that all parties have negotiated, have agreed to, rather than a trial and a judge imposing the decision, which leaves parties sometimes unsatisfied and leaves issues unresolved.

That’s why we do see that the negotiation combined with the consultation process is the way to address these historical and legal claims. It’s a practical approach to resolving claims. We recognize that resolving claims through negotiation not only helps the province meet its legal obligation; it also, just through the process of negotiation and the give and take, if you will, goes a long, long way to create a sounder and a more honest—just a better relationship.

That’s why negotiated settlements are the preferred route. We want to clarify the rights of indigenous communities through negotiation. We want to reduce uncertainty. We want to facilitate the reconciliation process.

Just a word on the public consultation aspect of negotiation: Public consultation is integral to the settlement of land claims, especially when the settlement involves land. Ontario is engaged in extensive public consultation. We provide information to indigenous communities and

non-indigenous communities. We get the parties together to talk about their concerns, approaches and attitudes.

Ontario does have a duty to consult First Nation communities during any negotiation involving land claims, particularly one which has the likelihood and the ability to significantly impact the quality of life or the capacity of that First Nation to carry on after the land claim has been resolved.

These consultations are often referred to as “section 35” consultations. That’s the section of the Constitution that has set out the duty to assess potential impacts of land claims on other First Nation communities and to consult with them and so on.

That’s our approach to it. I’m going to ask Assistant Deputy Minister Shawn Batise to give you a—hopefully, he will give you a sense of the flavour of how the negotiation process works. I, myself, as a minister, don’t get involved in the negotiation itself; it’s the negotiators. But perhaps you could give a sense of the flavour of the negotiation.

**Mr. Shawn Batise:** Sure. Thank you. Shawn Batise, assistant deputy minister, negotiations. I, myself, don’t get involved in negotiations anymore either. As the assistant deputy minister—

**Hon. David Zimmer:** Anymore?

**Mr. Shawn Batise:** Yes. I have to say that I miss it, and there are a couple of files that we’ve got coming up that I would love to be involved in on behalf of the province.

For me, having worked for First Nations as the lead negotiator on two land entitlement claims as well as numerous IBAs or resource development agreements, as we used to call them or liked to call them, they’re two entirely different processes. You might think that they both should be interest-based, I think, to a point, but I have found, being on the other side, if you will, with the First Nations and negotiating with both the federal and provincial governments in a tripartite process, the land claims have seemed to be far more friendly, at least from my experience.

The process is a long one. It’s more involved than working on an IBA, but it seems to be a lot friendlier to a degree, and there is far more community engagement and consultation.

In going forward, the commitment by both levels of government in terms of funding the process—Ontario’s process, I have to say, is better. It’s grant funding for the communities, whereas Canada’s is a loan fund. Although the loan is just tacked on to the final settlement, it still causes some discomfort to the community having to actually be on the hook for a loan. Eventually they get it back, but it’s hard to convince or talk to community members, to say, “Well, we’re borrowing money from the federal government to do our negotiations whereas the province gives us a grant.” So there’s that aspect of it.

I think over the last number of years, as the minister has said, the claims in the province have—there has been an increase in the settlements. I know, speaking with some of the communities—and you were at the one in

Chapleau, the Chapleau Cree—there were certainly some hard feelings by First Nations, and rightly so. There are 100-plus years of wrong that takes seven or eight years of negotiations to fix, and even then it’s not fixed.

There’s implementation. There’s the federal government’s addition-to-reserve process, which is very long and arduous for a community. Even once they have the settlement, the land itself can’t be turned into reserve land for—it can be up to another five or six or seven years, which is very frustrating to the community. So we’re not just done once we settle the claim. Implementation is a big part of it.

Implementation of any negotiated settlement, in my experience, is one of the more difficult parts, whether that’s a land claim or an IBA negotiation. I can tell you that it causes a lot of strife amongst community members when we don’t implement what we’ve negotiated, whether, as I said, it’s a land claim agreement or it’s an IBA. We have to do better. I think we are doing better around those things, for sure, in moving them forward. The biggest issue is around getting the lands turned into reserve.

**The Vice-Chair (Miss Monique Taylor):** Two minutes.

**Mr. Shawn Batise:** I’ll just leave it at that.

**Hon. David Zimmer:** Perhaps we can come back to this, because what I’d like to do—if I can continue on this in the next round, I can walk you through what a typical claim looks like. I can do that very briefly. Then I can tell you how the claim is submitted. I can then tell you what the next step is, which revolves around research and assessment of the claim by the province.

Then there’s a process whereby the parties to the negotiation are established. Then the next process is the actual start of the negotiations. I can tell you something about what happens during the negotiation, actually at the table, if you will. The negotiation then leads to an agreement in principle.

1700

About the settlement agreement: That agreement in principle then goes out for ratification by the First Nation. If the agreement is ratified, then, as the deputy has mentioned, the next big thing is implementing the agreement that has been ratified.

You might find that very useful background. That’s the mechanics of how we get from the presentation of the claim to the end result: implementing the agreement around resolving the claim.

**The Vice-Chair (Miss Monique Taylor):** Mr. Miller.

**Mr. Norm Miller:** Let me go to the estimates briefing book, page 36, where there are operating expenses in some detail, various programs that are funded. The last time I had an opportunity to ask questions, you mentioned the \$125-million five-year plan to build capacity for Matawa communities. Where do I find that in the estimates?

**Ms. Esther Laquer:** Mr. Miller, you’re referencing the \$125 million through the Ring of Fire program—

**Mr. Norm Miller:** Yes. I was asking about the Ring of Fire, and the minister responded that there was \$125

million over five years for capacity-building for the Matawa communities. So I'm wondering where I find that in the estimates.

**Ms. Esther Laquer:** That funding is actually not flowing through the ministry's budget. That funding is in the Ministry of Northern Development and Mines allocation.

**Mr. Norm Miller:** Very good. On the next page, on page 37, if I'm reading this correctly, on the land claims settlements part, it's \$2 million: \$1 million negotiated settlements, \$1 million—total of \$2 million. Am I reading that correctly?

**Ms. Esther Laquer:** It's actually \$1,000.

**Mr. Norm Miller:** I just assumed it was multiplied—more zeros were added on.

**Ms. Esther Laquer:** No, there's a better story.

The ministry doesn't receive an allocation at the beginning of the fiscal year for land claims because, as ADM Batise and the minister have outlined, it's quite an unpredictable process. In order to appropriately manage the fiscal plan, that money needs to be requested through the year as negotiations get to a point where a settlement amount is agreed to. Once that settlement is achieved, then the ministry seeks that allocation from the Ministry of Finance. These \$1,000 placeholders are in the printed estimates so that the line associated with this funding can appear in our estimates.

**Mr. Norm Miller:** It never shows up in estimates, then. So how do you budget for it—

**Ms. Esther Laquer:** It shows up in the public accounts—

**Mr. Norm Miller:** But if it's not in estimates, how do you actually get the money?

**Ms. Esther Laquer:** We have to go through a process where, when the settlement is achieved and we have a sense of what the settlement amount will be, we go to the Treasury Board and Management Board of Cabinet—the treasurer for government—and we request the funding associated with that. If the members of the committee are satisfied that the deal is appropriate, then they would allocate that funding from the Consolidated Revenue Fund to the ministry.

**Mr. Norm Miller:** I assume that, in most cases, there is enough lead time that it would be next year, that you would start the process of requesting it now and it's probably in next year's fiscal year.

**Ms. Esther Laquer:** We don't normally forecast that far in advance, again, because the process for negotiations is unpredictable. We do try to do some planning on a forecast basis, but as far as allocations are concerned, we really do try to support the effective management of the fiscal plan by not requesting the funds until we know that we need them.

**Hon. David Zimmer:** The ultimate number is reflected in public accounts.

**Ms. Esther Laquer:** That's right.

**Hon. David Zimmer:** That's where you would find the numbers, this \$1,000 over here with the zeros. I asked about that myself when I first became the minister three

and a half years ago. The settlement number is in the public accounts. I can tell you, I've been to the Treasury Board several times to present the argument of why the settlement is a good settlement and so on. Treasury Board grills us and we get the money.

**Mr. Norm Miller:** The public accounts just came out yesterday, I guess it was, wasn't it? Do we know what that number is for this year, then, in public accounts? Would that be last year or next year?

**Hon. David Zimmer:** Last year.

**Ms. Esther Laquer:** Yes. The public accounts is a reconciliation of the prior fiscal years.

**Mr. Norm Miller:** Right.

**Ms. Esther Laquer:** So the unaudited financial statements that were tabled yesterday would likely show an expenditure of around \$5 million for land claims.

**Mr. Norm Miller:** Five million. Okay.

**Hon. David Zimmer:** For the past year.

**Mr. Norm Miller:** For the past year. Also, in The Journey Together—and I brought up the \$150 million over three years to close gaps and remove barriers. How much of that is reflected in the estimates here? Or is it pretty much all other ministries? Or would I find some connection to that number in the estimates?

**Ms. Esther Laquer:** It's mostly funding in other ministries. The proportion of funding that may be allocated to MIRR hasn't been determined yet. That's still going through the decision-making process.

**Mr. Norm Miller:** Okay. Thank you for that. I'd like to now return to the question I was asking ADM Batise. At the end of my last time, we were speaking about the Ring of Fire, and you had talked about the fact you've been involved negotiating IBAs in the past. There are nine communities in the Ring of Fire area. I've been an advocate for saying that's something that would be very positive for both the communities and the province and asking about progress with that. Are those nine communities generally supportive of seeing the Ring of Fire develop?

**Mr. Shawn Batise:** That's probably not a question that I should be answering. That's probably a political question.

**Mr. Norm Miller:** Should the minister answer that question? I'll ask it of the minister, then. To your knowledge, are the nine communities in the Ring of Fire area generally—because negotiations have been going on, I assume, for years now because it's been talked about and the billion dollars has been budgeted for years. Are they generally supportive of seeing the Ring of Fire developed? Do they see benefit for their communities in seeing it developed? Or maybe paint a picture of what you see the situation to be.

**Hon. David Zimmer:** Well, those negotiations, as I said earlier, have been ongoing. The Matawa tribal council's adviser, if you will, former Premier Bob Rae—and as I've said, the province has its adviser, Mr. Justice Frank Iacobucci. I can tell you that those negotiations are conducted in a frank and open manner. There are nine communities involved, plus of course the federal govern-

ment, but it would be presumptuous of me to answer that question on behalf of the First Nations, so I would direct you to the Matawa tribal council and the nine communities within it.

**Mr. Norm Miller:** You spend a lot of your time, as you've described, travelling around and visiting with all the communities.

**Hon. David Zimmer:** Yes.

**Mr. Norm Miller:** So I assume you've probably visited maybe all nine of the communities in that area. Are they raising concerns? Are they saying, "Move ahead, let's get this going," or are they saying, "We have concerns"? Or is it a bit of both?

**Hon. David Zimmer:** We are at the negotiating table. As I say, those negotiations are being conducted in a very frank, open and honest manner, and it would be presumptuous of me, at this stage of the negotiations, to offer to speak for the Matawa tribal council or any of the nine First Nations within that council.

I'm not trying to duck the question, but out of respect for the First Nations and the Matawa tribal council, that's a question that you should direct to them. But I can tell you that the negotiations are being conducted frankly and openly.

**Mr. Norm Miller:** And I'm just trying to get an idea of where the progress is on the project and some sense of whether it's next year, the year after or five years from now, especially based on the article in Northern Ontario Business that makes it sound like things are reasonably close to seeing one of the important steps in the project going ahead, which is a physical connection, being the road.

1710

Related to that, for the Ring of Fire project, is the plan also, on the corridor—the infrastructure corridor, I'll call it, the road—to run a permanent electricity connection along that same corridor to the actual mine site, and I assume possibly to the communities in the area as well. Is that part of the negotiations, then, to have power go to the communities, as well as the mine site, from the grid?

**Hon. David Zimmer:** I can tell you that the Matawa tribal council and the nine First Nations are at the table with their respective teams. The Ministry of Northern Development and Mines is at the table on behalf of the province. That negotiation on a wide range of issues is being conducted at that table.

I can tell you that the agreement—let me back up. I can tell you that Ontario and the nine First Nation members of the Matawa tribal council did sign a historic framework agreement in March 2014. That agreement was a framework agreement to move forward with the negotiation process, which everybody is into right now. That negotiation process was to be conducted on a community-based regional approach to the development of the Ring of Fire.

The framework agreement is a very historic milestone. It will support Matawa member communities in a number of ways: to assist in the discussion on environmental assessment processes and regional long-term monitoring;

social and economic supports and well-being issues; and regional infrastructure planning and resource-revenue sharing.

We at the Ministry of Indigenous Relations work with the Ministry of Northern Development and Mines and the First Nation communities. We're working with them on the next phase of the negotiations under that framework agreement that I've just referenced to move ahead from there. So those negotiations, for the third or fourth time—now I'm starting to sound like a broken record, but I want to tell you that those negotiations, pursuant to the framework agreement, are being conducted in an open and frank way and in good faith. I do want to emphasize the frankness of the discussions and the openness of the discussions and this desire of all the parties to move the negotiations forward in a good way.

**Mr. Norm Miller:** In this article, it says, "The company expects mine construction to begin in 2018"—so less than two years now—"at the same time road construction gets under way." That's not a long time. You said 2014 was the framework agreement, so there have been two and a half years of negotiations so far. I'm having a difficult time getting any idea about whether there's an endpoint that you can see on the horizon.

On the question of electricity, then, is it the plan to use the road corridor to also—

**Hon. David Zimmer:** Those matters are, in many ways, the subject of the negotiation, and of course, in the negotiation—it'll probably be a private sector player. Noront is in the news a lot. There were other private sector entities that were in the news—

**Mr. Norm Miller:** I would assume that the billion dollars is for infrastructure and primarily that road and other infrastructure.

**Hon. David Zimmer:** Yes, a transportation corridor.

**Mr. Norm Miller:** Whatever that may be.

**Hon. David Zimmer:** Precisely.

**Mr. Norm Miller:** There's talk—

**Hon. David Zimmer:** And then the billing would cover other regional infrastructure pieces that are necessary to the development of the mining.

**Mr. Norm Miller:** The provincial government and federal government last year, I believe, announced \$700,000 for a study on the corridor, which has now been tabled. What has been learned from that money and how has that aided in moving things along?

**Hon. David Zimmer:** The real detailed answer to your question would have to come from the Ministry of Northern Development and Mines. That's where the \$700,000 came from. The Ministry of Northern Development and Mines and Matawa tribal council are still in discussions about what the outcome of that study or the process is.

**Mr. Norm Miller:** The Ring of Fire Secretariat—that's Northern Development and Mines as well, I assume?

**Hon. David Zimmer:** That's right.

**Mr. Norm Miller:** And they're involved with negotiations, I would assume.

**Hon. David Zimmer:** Yes. They're the lead on this.

**Mr. Norm Miller:** So there must be some contact with your ministry or information from them on how negotiations are progressing?

**Hon. David Zimmer:** Well, I'm going to let the Ministry of Northern Development and Mines answer that question, either Minister Gravelle or the officials over at that ministry.

**Mr. Norm Miller:** Okay. That's it for the Ring of Fire, then.

Seeing as I was asking about electrification—I know it's part of your ministry's mandate—earlier in estimates, a while back, in the spring, I was asking about electrification of some of the remote communities, and the money budgeted and the plans for that.

I would have thought for the remote communities, if there were any communities where, being off the grid, some of our renewables might make sense, it would be those remote communities. If wind and solar and some backup of some kind—whether it's propane or natural gas or a backup generator—were going to work anywhere in the province, I would think it would work in a remote First Nation, where the distances are such that the cost of actually physically building the grid connection must be immense.

I wonder if the ministry has done any studies to see whether it's financially viable for those remote communities or compared them with what it's going to cost to actually make a grid hookup, especially as the technology—

**Hon. David Zimmer:** As you know, the Ministry of Energy is next before estimates committee, so I'll defer those detailed questions to them. But you are quite right, and there is a realization in those remotes that are on diesel—the federal government spends a huge sum of money just on the freight costs of flying in diesel, so it's in everyone's interest to deal with these issues.

There are 25 First Nations that rely on diesel power for energy and there's a remote electrification plan under way—

**Mr. Norm Miller:** We talked about that a bit before. That's where I would have thought that, for those remote communities, wind and solar and maybe something other than diesel backup might be an option, especially as energy prices increase.

I can only tell you that in my own riding I was meeting with a construction company—

**The Vice-Chair (Miss Monique Taylor):** Two minutes, Mr. Miller.

**Mr. Norm Miller:** —two weeks ago, Fowler Construction in Bracebridge, about—not issues related to electricity, but somehow we got talking about that. They have an asphalt plant there that they use a diesel generator to run. They had plans to hook it up to the grid, and this is in Muskoka, so there's no connection charge. They ran the numbers and they've decided not to do it, because it doesn't make sense.

**Hon. David Zimmer:** You'll be interested to know that on July 29 of this year, the Ministry of Energy—I'll

just answer on their behalf here—has selected Watay Power to connect 16 of those remote First Nation communities that rely on diesel to the province's electricity grid. That announcement was made just two months ago and that's under way.

Watay Power is an unprecedented partnership between a consortium of 20 First Nation communities and a transmission partner, Fortis Ontario and RES Canada.

In addition to those 16 communities that I've referenced in Watay's plan to hook them up to the grid, there are four other remote communities that are considering options for electrification. I gave you the number of 25 that are on diesel. Four or five of those—the fact is, they're just too remote to do that. But if we can get 20 of the 25 off diesel, that's very, very good news. But the details of the plan, other than my reference to the Watay undertaking, I leave to the Minister of Energy at estimates next week.

**The Vice-Chair (Miss Monique Taylor):** Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Well, I want to continue—

**Hon. David Zimmer:** Um—

**M<sup>me</sup> France Gélinas:** Do you need a two-minute break? I love those.

**The Vice-Chair (Miss Monique Taylor):** Two-minute recess?

**Hon. David Zimmer:** Well, maybe—

**The Vice-Chair (Miss Monique Taylor):** Five-minute recess?

**Hon. David Zimmer:** Yes. Thank you.

*The committee recessed from 1721 to 1726.*

**The Vice-Chair (Miss Monique Taylor):** Okay, we can begin.

Go ahead, Ms. Gélinas; the floor is yours.

**M<sup>me</sup> France Gélinas:** Thank you so much.

We were talking about electricity. I realize that some of it will be for the next estimates on energy, but I wanted to know—I'm sure that you hear from First Nations that, in some communities, the debt retirement and transmission charges are higher than the hydro they consume. I was wondering if your ministry has any role to play when it comes to First Nations communities and the OEB setting rates. When they apply for a rate increase or whatever to the OEB, can your ministry put forward the side of the First Nations? Do you do that at all?

**Hon. David Zimmer:** No, that would be something that the Ministry of Energy would deal with. I can tell you that what there is over there at the Ministry of Energy is a grievance table where First Nations can bring particular and very detailed grievances to the attention of the ministry. They are dealt with there. For instance, the issue that you just referenced there, about the charges and so forth, might well be something that is brought by the First Nation to that grievance table, which is operated over at the Ministry of Energy.

**M<sup>me</sup> France Gélinas:** So what would be the relationship between your ministry and that particular table? Does one exist or not?

**Hon. David Zimmer:** No. No, there's no formal relationship.

**M<sup>me</sup> France Gélinas:** So the grievances of First Nations have a place to be handled, and they handle it.

**Hon. David Zimmer:** I may sort of, by the by, in a hallway conversation, say, "See what you can do for it. How about a break here?" and that kind of stuff.

**M<sup>me</sup> France Gélinas:** Okay. Still—

*Interjection.*

**M<sup>me</sup> France Gélinas:** Sounds good.

On the electrification readiness program: How is this electrification readiness program impacted by the First Nations' hydro shares memorandum of understanding announced in July? Are the two completely disconnected, or are they connected at any point?

**Hon. David Zimmer:** They're disconnected. Those would be questions addressed to the Minister of Energy, the Minister of Finance and others.

**M<sup>me</sup> France Gélinas:** The electrification readiness: That is within your ministry. You have a couple of million dollars a year to get First Nations that are off the grid ready for electrification. You said that you have a list of 25 First Nations off the grid—on diesel power is what you use. If you could give me the list of those 25—because I'm dealing with 21. You don't have to read them into the record, but just make me a list at some point of which 25 you are dealing with. And then, the 16 that will be hooked up to the grid with Watay: What are those 16? Just the names would be good.

My last one is that the Ontario Clean Energy Benefit Act that is just going through the House right now requires a separate regulation in order to expand the rebates to customers of unlicensed distributors. As you know, distributors on-reserve are not licensed by the OEB, and First Nations people do not pay the provincial portion of the HST. So the way I read it right now, all First Nations would be excluded from that 8% rebate. Am I reading it right or wrong?

**Hon. David Zimmer:** I'm going to ask you to direct that question to the Ministry of Energy when they're at estimates next week. Having said that, we champion First Nations whenever we have an opportunity. But the technical answer to your question has to go to the Minister of Energy.

I do want to just come back to a point that you made earlier, which was essentially a question around capacity-building. I can tell you that we have something called the Remote Electrification Readiness Program. That gives \$1 million over three years. That's 2014 through to 2017. It's a capacity-building exercise to support the First Nations that are associated with the expansion of the transmission, or the possibility that they might get hooked up, to deal with the capacity issues that have to be addressed leading up to hookup, during hookup and then post-hookup. You can appreciate that going from diesel to being hooked up, there are all sorts of changes, some subtle, some dramatic. There are intended and unintended consequences. So it's a capacity-building piece.

**M<sup>me</sup> France Gélinas:** Of that \$1 million over three years, how many communities do you figure will be helped? All 25 that are on diesel?

**Hon. David Zimmer:** I'm just giving you some examples. Of the 16 that are identified for hookup, if you will—that Remote Electrification Readiness Program—essentially the capacity funding is spent on an as-needed or as-identified basis. The issues that have to be addressed in the capacity-building exercise will, probably or necessarily, vary from First Nation to First Nation. So a First Nation, in conversation with us, will say, "We need some capacity help" on this issue or that issue, and so on.

**M<sup>me</sup> France Gélinas:** But all 16 could benefit from the \$1 million allocated over three years if they need—

**Hon. David Zimmer:** I'll just ask Assistant Deputy Minister Thatcher to address the specifics of your question.

**Ms. Hillary Thatcher:** Assistant Deputy Minister Hillary Thatcher. For starters, I just pulled up the energy website where the long-term energy plan is posted, and they do identify all of the remote First Nation communities. They break it down into the remote First Nation communities that are going to continue using diesel or other green energy initiatives to power them up, and then the other 21 First Nations that are part of the long-term energy plan for connection. So it's available through the energy website in the long-term energy plan. All of the 21 First Nations that we connected are listed there.

**M<sup>me</sup> France Gélinas:** So the \$1 million that is from your budget for the Remote Electrification Readiness Program is available to all 21 of those?

**Ms. Hillary Thatcher:** All 25 remote First Nations can access the program. I'm just trying to find which communities have accessed it, but right now—I just don't have it on my tab, but my understanding is that all 25 communities are benefiting from the electrification program and developing community wellness plans. So the First Nations themselves may not have applied directly to the fund, but the tribal councils, in many cases, have applied to the funds, so they're receiving the benefits. It was a three-year program and funding for three years in most cases.

**M<sup>me</sup> France Gélinas:** Oh, okay.

I know that my colleague Michael Mantha talked about this this morning, and I've had conversations with you about this, but I want to talk about Mattagami First Nation a little bit with the time that I have left today.

You know that on Monday, October 10, they will be holding a protest on Highway 144 to draw attention to the fact that they want their water to be clean. The community is very angry, and the community is discouraged and they want their government to hear them. It has been 18 months since the derailment and it has been over six months since the ice came off the Makami River, and we could all see oil in the water. We can smell it and we can see the dead fish. I think you have a copy of a poster of some of their grievances that has been shared with you.

Racism is still alive and well in parts of northern Ontario, as it is in other parts of Ontario. I am worried

about the people who will be on the side of this highway. This is a busy highway and this is one of the busiest weekends on Highway 144. Not only will you have all of the kids who attend school down south trying to travel back and all of the families who have been celebrating Thanksgiving, but you will also have hundreds of hunters coming in and out of the bush—all with firearms, as this is what you use to go hunting—who will be stuck in traffic and missing their planes and missing their connections to go back home and all the rest of it.

Meanwhile, you will have the good people of Mattagami beating the drums of war to get attention paid to what's happening to them by a government who won't order CN to come and clean up. Is there anything at all that your ministry can offer the good people of Mattagami?

**Hon. David Zimmer:** I think you were here on previous days when I addressed the Gogama derailment. I know I told you that within a couple of days I was up there to observe the derailment site—both a walk-around, a flyover, meetings with Chief Walter Naveau—

**Mme France Gélinas:** That was 18 months ago.

**Hon. David Zimmer:** Yes, well, let me complete the answer. We have been working on this with the Minister of the Environment. We just heard yesterday from the Minister of Transportation that rail safety is a matter that our government works very closely on with our federal partners. Rail transport is a federal responsibility, but, having said that, we are impressing upon the federal government the whole issue of rail safety.

1740

With respect to the demonstration, if you will, on the highway that the poster references, I take your point about the long weekend and the traffic on the highway and the safety issues—safety for everyone: people who want to quite freely express their point of view and draw attention to this issue, and people using the highway driving through the area. I will alert my colleagues over at the Ministry of Community Safety and Correctional Services, in particular Minister Orazietti, to advise him that this is occurring and that, in terms of road safety and policing and cars and traffic and all that sort of stuff, some special attention should be paid so that everybody can conduct this demonstration in a safe manner.

I'm going to ask Assistant Deputy Minister Batise to respond, again, to your sense of the Gogama cleanup.

**Mr. Shawn Batise:** Shawn Batise, assistant deputy minister for negotiations. I did respond to the question last week as well as this morning, but just to be clear, there has been a response by MOECC. Although I can't speak for MOECC, there has been correspondence sent to the chief, Chief Naveau, and to the secretary of the local services board in Gogama.

I will read the second-last paragraph, which addresses the issue. It says:

"In closing, remediation activities and long-term monitoring continues at the site. The MOECC will assess information submitted by CN, any monitoring data collected by the MOECC and any reports provided by

local residents to determine if any additional actions are required. We are committed to ensuring CN continues to meet the obligations set upon them by the Environmental Protection Act and that impacts resulting from this derailment and spill are mitigated."

This was sent by Carroll Leith, who is the district manager for MOECC in the area. Further to that, I will be meeting with Chief Naveau and his council either tomorrow afternoon or first thing Thursday morning, and we will be discussing this issue to see if there's anything further that the ministry can do to ensure that CN does its job. As I said, I was the chairman of the tribal council and the executive director. This is an issue that is close to my heart. It's close to my own traditional territory. I have many, many friends in Mattagami after working with them for 25 years. So I want to ensure that this is cleaned up properly as well.

**Mme France Gélinas:** Thank you for this. This is as good news as I've heard on this file for 18 months. We are getting those letters from the Ministry of the Environment that talk about long-term monitoring, and, frankly, it is adding oil to the fire. The language has to change. They have to take into account the people who live there; otherwise, they really fan the flame of civil unrest, and nothing good comes of that.

Whenever a test result comes out that shows that there is still a lot of oil in the Makami River, the answer is "more testing." The local people cannot take more testing anymore. Test after test comes out showing that the amount of oil in the water exceeds any acceptable level from the Ministry of the Environment, yet the answer back from the Ministry of the Environment is to test some more. They are testing the patience of the people there, and that's not good. They need to clean.

You know as much as I do that the maples are all sorts of colours. The bush has already started to look like fall. It is beautiful right now in the area, but that also means that winter is coming. With winter, the lake will freeze and any cleaning will become impossible. We have this window between spawning time and freezing time when cleanup could be done. We have the technology to do local cleaning up. What we need is the Ministry of the Environment to order CN to do that. If your ministry can help—the issue of clean water for First Nations falls within your ministry.

**The Vice-Chair (Miss Monique Taylor):** Two minutes.

**Hon. David Zimmer:** I'll leave you with three points.

(1) I can assure you that, for Minister Murray over at MOECC, water in all its forms—lakes, rivers, drinking water—is the highest priority for him.

(2) I can tell you that CN has been resampling the sediment in the river between the derailment site and the lake to see if there are remaining areas of contamination. That resampling of the sediment is submitted for review to MOECC.

(3) MOECC is assessing that additional information that was collected in August—I'm not sure when in August, but sometime in August. That additional infor-

mation was collected in direct response to local concerns about the issue. CN has committed to doing whatever has to be done for the cleanup.

Lastly, MOECC is the oversight ministry. We at the Ministry of Indigenous Relations and Reconciliation offer our thoughts and advice on how best to approach First Nations and work through these issues.

**M<sup>me</sup> France Gélinas:** The First Nations, right now, feel disrespected. We are in a spirit of reconciliation. This is the name of your ministry. In the spirit of reconciliation, you listen to people and pay attention to what they're saying. Right now, they're screaming at the top of their lungs, and nobody listens.

**Hon. David Zimmer:** That's why the resampling has been done: because the citizens made the point. That's why that resampling of sediments and the information and so on is being reassessed: so we can get to a good place.

**The Vice-Chair (Miss Monique Taylor):** Thank you, Minister.

Ms. Kiwala.

**Ms. Sophie Kiwala:** I think that the estimates committee is a great opportunity for all members to bring forward their concerns to the ministries that come before us. I'm not sure how much the last points that were brought up by the member from Nickel Belt had to do with estimates, but I understand and I totally respect the member for her commitment. I know that we all mean well. I would like to say the same to MPP Miller as well. We all come to this role with good thoughts in mind. The subject area of indigenous relations and reconciliation is dear to all of our hearts. I just wanted to have that on the record. I would like to keep focused on the estimates.

The other thing that I do want to say is that today is October 4. Sisters in Spirit vigils are happening all across the country. I just wanted to have on the record that while we are here examining and exploring line items in the estimates book, it's important to acknowledge and remember this day, and that there are many people across our province who are honouring the victims, the missing and murdered indigenous women.

Going back to treaties: There were a number of urgent land claims. There were a number of points that you brought up that you would like to explore. I just wanted to wind back to the conversation a little bit, as well, on your mandate letter and the Premier's wish to have land claims settled in an efficient and timely manner.

1750

After seeing and meeting some of the partners and stakeholders who were engaged with the process in Chapleau, it's remarkable how extensive and elaborate the discussions are. I was made much more aware of that during the visit and I was very impressed. I'm really curious how when it's integral to the process that each of the discussions and each aspect of the negotiation be done with minute—

**Hon. David Zimmer:** Let me, in the seven or eight minutes that we've got left—because I do want to get this answer.

**Ms. Sophie Kiwala:** Okay.

**Hon. David Zimmer:** Here's the process of land claims. The typical basis of a land claim is usually one of these five. It's usually:

(1) lands that have traditionally been used by a First Nation community that were never given up by them to the crown, and the crown has since sort of occupied the land, if you will;

(2) the crown has failed to set aside lands apart as a reserve, as required under the original treaty;

(3) there has been unauthorized use of the reserve lands that were given, so that somebody's taken them away or taken them back;

(4) the crown has failed to pay appropriate compensation for the taking or the use of reserve lands; and

(5) reserve lands that were surrendered for sale and remain unsold today.

That's the basis of a typical claim, one of those categories.

The process then is that a claim is submitted. It is submitted to the province and federal government. The process begins when a First Nation submits a written statement, together with various supporting documents, detailing the claim. Those documents are then submitted to the negotiations branch of the Ministry of Indigenous Relations, and that's headed up by Assistant Deputy Minister Batise.

Ontario then consults with Indigenous and Northern Affairs Canada to determine whether the federal government has received the claim submission and what the status of the federal review of the claim is. There are two reviews. Ontario reviews the claim once submitted, and the federal government does.

The next stage, a lot of research and assessment is done of that claim. From Ontario's point of view, our assessment goes something like this: We analyze the land claim documents submitted by the First Nation. We research the relevant history and any issues surrounding the claim. Then an intensive legal review is done of the issues that have come forward. We then consult with other interested parties in government to determine how that claim might affect any interests and positions that they have.

It's decided within three years of the receipt of the claim. So we have three years to do that research, assessment, legal stuff and all that. We have three years to decide whether to accept the claim, after we've done that workup. If the claim is accepted, then the next step is the province sends a letter to the First Nation stating that the province is prepared to negotiate a resolution of the claim.

The next stage is the negotiation process itself. The parties to a negotiation—and I've identified the parties to the negotiation—are the groups involved in settling the claim. In most land claims involving Ontario, there are three parties to the negotiation: There is the First Nation that submitted the claim, the province of Ontario and the federal government. On occasion, Ontario may negotiate a claim bilaterally with the First Nation in the absence of the federal government. There's a special set of circum-

stances, if you will, when that happens, but that does happen.

Then the negotiations start. What happens when the negotiations actually start? The parties to the negotiation will sit down and they'll hammer out a framework agreement or a negotiation protocol about how the negotiation is going to be effected. That framework agreement or negotiation protocol involves four points.

We identify the issues that will be raised in the negotiation; we identify any funding that the First Nation will need to get capacity funding to support its participation in the process. The third thing that happens is the process for consulting with the public and other First Nation communities on the issues that are related to the claim and the effect it may have on them. So there may be adjoining First Nations, an adjoining municipality or something and they're notified to see what the impact might be on them.

The parties to the negotiation may also then arrange for further studies to advance the possible settlement. Those additional studies to advance the settlement get us to a concluded settlement. It might include various land appraisals to value the lands that are claimed, various reports to value the losses to the First Nation community for not having the use of the lands. There could be a series of mapping studies—for instance, flooding claims. There are a number of flooding claims, so there might be mapping studies and exercises to determine the extent of flooding on reserve lands. We signed a couple of flooding claims recently.

Then, during the actual negotiations, the parties are at the table. They will work to reach an agreement on all of the various elements of the settlement. They identify the lands that might be transferred by Ontario to Canada. We transfer the lands, Ontario to Canada; Canada then sets up the lands as a part of the reserve. There's a calculation of any financial compensation that is owed to the First Nation. There may be public consultations to get input from the peoples and groups who could be affected by the settlement, particularly when land is part of the settlement. For instance, the Algonquin claim bumps up against a number of municipalities. We will then usually carry out section 35 consultations with other indigenous communities, again when land is part of the settlement.

Agreement is then reached on arrangements for the continued use of the land by third parties. Hydro One might have rights of way over the property or Bell Canada for distribution lines and so on. So that has to be resolved and settled as to what will happen to those rights of way—will they continue or whatever.

Then, having gone through that, hopefully we get to the point where we reach something called an agreement in principle, an AIP. That's where the parties sign an agreement in principle. It's a document that sets out the general terms of the settlement. That's a very important document. The settlement agreement—that agreement in principle—is the outcome of the negotiation. It sets out all of the details of the agreement reached between the parties—the province, the federal government and the First Nations—on the issues raised. Each of the parties to that negotiation needs to approve and sign that agreement in principle. The parties then develop a plan to execute or deliver on their obligations in the settlement agreement and then, finally, all of—that package, if you will that—is sent out for ratification.

So the final stage of this negotiation process that I've just walked you through is the ratification of the settlement by each of the parties. When that happens, the ratification comes through—the positive ratification of the agreement—and then, only then, it becomes a legally binding agreement, enforceable under the law.

Then we move to the implementation, and the parties to the agreement will then implement the settlement agreement by executing their obligations. The financial contribution is usually paid very shortly after the settlement agreement has been signed by all the parties and ratified. If the settlement agreement includes transferring land from Ontario to the federal government, then Canada has to do certain things—

**The Vice-Chair (Miss Monique Taylor):** Minister, it's 6 o'clock.

**Hon. David Zimmer:** Would you like the last three points? They're really interesting.

**The Vice-Chair (Miss Monique Taylor):** We will adjourn until tomorrow after routine proceedings. Thank you very much.

*The committee adjourned at 1800.*





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**Official Report  
of Debates  
(Hansard)**

Wednesday 5 October 2016

**Journal  
des débats  
(Hansard)**

Mercredi 5 octobre 2016

**Standing Committee on  
Estimates**

Ministry of Aboriginal Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires autochtones



Chair: Cheri DiNovo  
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## **CONTENTS**

Wednesday 5 October 2016

Ministry of Aboriginal Affairs .....	E-89
Hon. David Zimmer	
Ms. Selina Young	
Ms. Alison Pilla	
Ms. Hillary Thatcher	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 5 October 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 5 octobre 2016

*The committee met at 1549 in room 151.*

## MINISTRY OF ABORIGINAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Who knew? We ended petitions early again today. It's a brave new world, my friends. The minister is here. We're all good. Good afternoon. We are now going to resume consideration of vote 2001 of the estimates of the Ministry of Aboriginal Affairs. There is a total of 50 minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from the previous meetings that the minister has responses to, perhaps the information can be distributed by the Clerk. Are there any items, Minister?

**Hon. David Zimmer:** I think not yesterday but the day before, MPP Mantha posed quite clearly three very precise questions and wanted answers to them. I have those and I can read them into the record. It's just one page.

**The Chair (Ms. Cheri DiNovo):** Or could you distribute them? Could we get those distributed? Is that possible?

**Hon. David Zimmer:** At your pleasure, Chair.

**The Chair (Ms. Cheri DiNovo):** Let's distribute them because we have such limited time.

**Hon. David Zimmer:** Okay.

**The Chair (Ms. Cheri DiNovo):** Thank you.

**Hon. David Zimmer:** It's here. Just for the record, these are the answers to the three very specific questions that MPP Mantha asked.

**The Chair (Ms. Cheri DiNovo):** Right. Thank you very much.

When the committee last adjourned, the government had seven minutes left in their round of questioning. Ms. Kiwala, the floor is yours.

**Ms. Sophie Kiwala:** Thank you, Madam Chair. Thank you, everyone, for being here. Thank you to your staff as well for being here and supporting you today. It's always great to see them.

We left off with a discussion talking about land treaties. Minister, I think you had a few other items left to discuss that you were anxious to inform the committee of. I'd be pleased to hear the rest of that conversation.

**The Chair (Ms. Cheri DiNovo):** Minister, the floor is yours.

**Mr. Arthur Potts:** I think you'd call this a pregnant pause.

**The Chair (Ms. Cheri DiNovo):** A pregnant pause, yes.

**Hon. David Zimmer:** Thank you very much. Yesterday I was walking people through because I thought everybody was interested—and I could tell by the look on your faces that everybody was interested—in the actual process of negotiating a land claim because we hear about the negotiation process—it's a big word, "negotiation" process.

I walked through the five or six steps. I made some general comments about the process. The first step was submitting the claim, and I elaborated on that. Then the second step was doing a lot of research, an assessment of the claim and then identifying the parties to the negotiation. Then the negotiation got started and then what happens during the negotiation. I talked about moving to agreement in principle, then a settlement agreement, then ratification and then implementing the agreement. That's where I stopped, and I said I was just at the denouement in implementing the agreement.

We're at the stage now where we want to actually implement the details of the agreement, and I had said that the parties then start implementing the agreement and carrying out the obligations they've agreed to and that are described in the agreement. Financial compensation is usually paid shortly after the settlement agreement has been signed by all three parties: the province, the federal government and the First Nation.

So this is new then: If the settlement includes transferring land to the federal government to be set apart as the reserve, then Canada has to do certain things. On a land claim, if it's, say, crown land in Ontario, and the deal is that that Ontario crown land will be turned over to the First Nation, Ontario first has to transfer the land to the federal government because, of course, the federal government is responsible for on-reserve or creation of reserve, if you will. The ownership of the land gets transferred to the federal government and they, in turn, transfer it back to the First Nation and they add it to their reserve or whatever else the plan is to do with the land.

But in order for Canada to do that, then Canada will survey the boundary lines of the land that's going to be turned over. There's a detailed inspection of the lands to make sure they're in an acceptable environmental condition, and this is very important because sometimes, particularly close to municipalities, mining sites or whatever, there is remediation that needs to be done—land cleanup and so on.

Then, assuming they get through the environmental review of the lands, the lands are set aside as part of the reserve, and then the federal government has to go through issuing various appropriate mechanisms under the Indian Act for the continued use of lands by third parties. So there may be a hydro right-of-way or a coterminous right-of-way or something like that.

It can often take several years to fully implement the details of a land settlement after it's been agreed upon and all the steps have gone through. But we have a new person with us today. You'll notice that Assistant Deputy Minister Shawn Batise, who is the negotiations deputy, is not here. He's been called to—where is Shawn today?

**Mme France Gélinas:** Mattagami First Nation.

**Hon. David Zimmer:** Yes, that's right. He's up in Mattagami because that was a big issue yesterday. He said he was going up today to work on those very issues that you raised yesterday—the derailment and the spill and so on.

**The Chair (Ms. Cheri DiNovo):** Minister, you have three minutes.

**Hon. David Zimmer:** With those three minutes, I'm going to ask Shawn Batise's right-hand person in negotiations to just walk you through, perhaps, one of the more recent negotiations we've done, to give you the flavour of how it all plays out.

Come and sit up here and give your name. You've got about three minutes to offer your thoughts on some claim that you've been through recently.

**Ms. Selina Young:** Hello. Thank you. I'm Selina Young. I'm the deputy director of the negotiations and reconciliation division in the ministry.

A couple of things to carry on from what the minister was saying: Recently, we were very lucky; we have a new claim—or I shouldn't say a new claim, but we've just entered into the implementation phase with Chapleau Cree First Nation. So recently we had—Sophie was there, our parliamentary assistant—a wonderful ceremony to celebrate the settlement and to launch us into the important elements of implementation, so all of the work that the minister was taking about figuring out details about the land.

During that process, we worked really closely with our federal counterparts. I just had a conversation today, actually, with a lands manager with Indigenous and Northern Affairs Canada to work out some of those details for Chapleau Cree so that we can keep moving that forward to being fully implemented.

**Hon. David Zimmer:** I hope that has given you a sense of the flavour of a negotiation, because you would be surprised at the number of people who ask the questions, "Well, I've heard about these negotiations. What is a negotiation? What does it actually look like? What's the process? How long does it take? How is it conducted?", and all of that stuff. I think it's important to get a sense of that, because you then understand both the complexity and why some negotiations take a long time, some take a more moderate bit of time and others are concluded relatively quickly.

But the point is—and I take you back to my answers to some things yesterday or the day before—that in the last number of years, we have shortened the process considerably. Before 2003, the process was about 18 years, I believe, to do a claim. We've been making that shorter and shorter, and now we have a process where, if a claim is filed, we make a decision about whether to accept the claim for negotiation within—we try to do it within three years. Then we sit down and start negotiating.

The point is that claims that are just out there hanging in the air don't do a lot for reconciliation and, in many, many ways, are counterproductive to the idea of reconciling. If someone has a claim, it should be resolved.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. We now move to the official opposition: Mr. Miller.

**Mr. Norm Miller:** Thank you. How much time do I have, Chair?

**The Chair (Ms. Cheri DiNovo):** You have 20 minutes. Oh, no, sorry; about 13 minutes. He's lost a few.

**Hon. David Zimmer:** Thirteen? Norm, that's not even enough time for you to get warmed up.

**Mr. Norm Miller:** True. So, I wanted to go back to education, partly because I think it's the most important thing that the government could do to improve the outcomes for indigenous people in the province of Ontario. It's also partly motivated because the first thing I heard when I woke this morning was a CBC series looking into the gap in education for indigenous people.

I wanted to start by quoting a bit from an article on the CBC's website: "First Nations Education a Cash-Strapped 'Non-System,' Bureaucrats Tell Minister." I'll just cite from a couple of parts of that.

1600

**Hon. David Zimmer:** Sorry, I missed that. Could you just repeat that again?

**Mr. Norm Miller:** The headline was "First Nations Education a Cash-Strapped 'Non-System,' Bureaucrats Tell Minister." I'll just give you a few of the highlights.

"Most of the individually run, band-operated schools don't have proper curriculum development, teacher training, testing and quality assurance and the larger support structures—like a school board, elected trustees or an education ministry—that make schools work, the briefing note"—this was a briefing note to the minister—"from November says.

"Experts have also pointed to the near total absence of any formal plan to improve educational outcomes as another roadblock to success. Indeed, the short- and medium-term goal of the department is for band schools to simply record 'incremental improvements in academic achievement year over year.'"

It goes on to say, "'Additional funding [is] required to support a new system more comparable to provincial systems,' the 14-page briefing note cautions the minister."

It goes on to say, "It has also commissioned many expert studies and yet has done little to implement their recommendations."

It talks about the funding crunch: "Indigenous programming has been hampered by a 2% cap on annual spending increases since it was imposed by former finance minister Paul Martin in the 1990s. This spending has been well short of population and inflation growth rates."

It goes on to say that there's "an absence of an actual system to support individual schools...."

"In 2013-14, only 21% of on-reserve boys in Ontario reached or exceeded provincial literacy standards, while a paltry 18% were competent in mathematics, according to statistics produced by the department. The figures were marginally higher for girls."

Because provincial off-reserve schools are doing better, "As a result, she said, federally funded First Nations schools have ceded large portions of their enrolment to provincially run schools because they are seen to be better run.

"Indeed, 33% of First Nations learners normally living on a reserve now attend provincially operated or private schools."

That's one article I wanted to quote from.

I have a document, I believe, from your department, pointing out the advantage—first of all, highlighting that there is an aboriginal education gap. It's called "Closing the Aboriginal Education Gap."

This is the aboriginal educational gap: No matter what level of education, aboriginal people have lower graduation rates, and twice as many aboriginal people have not completed high school—twice as many—so it's huge. It goes on to say what the huge benefits would be if we could close that gap.

I really do believe that that's a really important thing that the government could do. I know that it's part of your mandate letter, which was supplied and is public. Your mandate letter states: "Supporting the Minister of Education's work to improve educational outcomes, closing the achievement gap for indigenous learners by 2020 and significantly increasing graduation rates for indigenous learners."

I would be interested in knowing what you and your ministry are doing to achieve that very important goal in your mandate letter.

**Hon. David Zimmer:** Well, thank you for that question. Just for the record, I'll note that the news piece that you saw in reference to the 2% funding cap and so on and so forth, was, essentially, a piece on the federal government and what it's doing or not doing in education.

**Mr. Norm Miller:** That's correct.

**Hon. David Zimmer:** So let me tell you what Ontario is doing and what we do to work with the feds or prod the feds.

First, I couldn't agree with you more. I know that everybody at the ministry—and when I travel and visit First Nations and visit their leadership, the chiefs and their band council members and other indigenous leaders across Ontario, I would say that education—health and so on and economic opportunity one very, very, very important, but education is always raised as the key to the

future. Obviously, we want to keep people healthy today and have jobs today, and so on, but in the long term, there is a clear sense out there that education empowers people to have the ability and the facility and the opportunity to lead a better life—skills training, education and so on. That's why, in fact, in *The Journey Together*, which I've referenced many times—I've talked about the five themes, how we're responding to the Truth and Reconciliation Commission. At page 25, some things that Ontario is doing to address this—it's under the heading "Classification of First Nation Schools Within the Education Act." Right now, there's an issue about how they're classified or not classified within the Education Act.

"Ontario will explore the possibility of creating a new classification for First Nation/federally operated schools. This could enhance collaboration between the provincially funded education system"—that's the school board in Bracebridge, for instance, in your riding—"and First Nation schools to help build greater capacity (e.g. professional development and learning resources) in First Nation schools."

**Mr. Norm Miller:** So that would be the schools that are on-reserve that I was quoting that are doing so poorly?

**Hon. David Zimmer:** Yes, we could change the Education Act, and they could enter into relationships with off-reserve school boards.

In fact, as we speak, we're working with indigenous partners to close that achievement gap between indigenous and non-indigenous students through a couple of programs. One is—and it's proved very successful—the elementary summer learning, and the other is the Aboriginal Education Strategy. Last year, we announced \$97 million in funding over three years for indigenous post-secondary education and training. We are working with indigenous partners and the post-secondary education stakeholders—so the school boards off-reserve in the communities.

We want to develop a stand-alone aboriginal institutes policy. The idea is that that would incorporate indigenous-owned and controlled post-secondary education institutes into Ontario's post-secondary education and training system.

The reason that we want to do things like that is because, as long as the First Nation education structure is sort of parked on its own, on the reserve and not getting the attention for it from the federal government that it should, to the extent that we can integrate them or roll them in or have them benefit from the education structures off-reserve, that's a very good thing. Because right now—the numbers are often debated—and over the past few years, roughly, the numbers are that the feds put in, some people say, \$2,000, \$3,000 or \$4,000 per student, and the province, if you're off-reserve, going to a school in Bracebridge, Ontario, is spending \$5,000, \$6,000 or \$7,000.

**Mr. Norm Miller:** I don't know whether this article is necessarily correct, but it says that the federal department

pays \$8,000 if it's on-reserve, but if that same student goes to Timmins off-reserve and participates in the provincial system, they pay \$16,000. That's in the article. I don't know whether it's correct or not, but that's what it says.

**Hon. David Zimmer:** The point is that there's probably a 50% spread between what's spent on-reserve and off-reserve. The number, whether it's the number you quoted or other numbers, is what they factor in—some factor in salaries and structure costs and so on.

**The Chair (Ms. Cheri DiNovo):** You've got three minutes.

**Hon. David Zimmer:** But the point is that Ontario wants to work with the federal government, wants to work with indigenous on-reserve communities and share with them the benefit and the capacities and the things that the school boards and the school structures off-reserve can offer. It's a way of levelling the playing field—I shouldn't say, "level the playing field"; I should say, "bringing up the on-reserve education system to the same standard as the off-reserve."

1610

The irony is, if you're, say, in Fort William First Nation, which bumps up against the municipality of Thunder Bay, and you're an indigenous parent and you keep your child, for whatever reasons, and go to school on the Fort William First Nation, you get a significantly lesser amount of money spent for your child at that school. If you get up every day and drive across the road into Thunder Bay and go to the Thunder Bay school system, you're in a school where the amount spent on that student is, I'll just say roughly, 50% more. That's a lot of money. That directly affects the quality of the teaching, the quality of the books, the quality of the classroom that the child is in, the quality of the school trips—right across the board. So we have to close that gap, and that's what we're trying to do in partnership with the feds, First Nation schools and the Ontario school system.

**Mr. Norm Miller:** How much time do I have?

**The Chair (Ms. Cheri DiNovo):** You have a minute and a half.

**Mr. Norm Miller:** Well, I'll pose a couple of questions. They're not related.

The Truth and Reconciliation Commission recommends, in the question of overrepresentation of indigenous youth in the child welfare system, that there be annual reports provided on the number of aboriginal children in care compared to non-aboriginal children. Is your government doing those annual reports, or is that something that has started?

**Hon. David Zimmer:** The first step of tackling a number of these issues—for instance, the issue that you've just raised—is to get the right data: How many children are in the system compared to the numbers off-reserve, and so on? We are working with our indigenous partners, the federal government, MCYS, the Ministry of Community Safety and so on to get the actual numbers.

I can tell you that we've committed to transforming the way children and youth services are designed—and

not only how they're designed, but how those services are delivered in the province. We recognize that we have to have consistent and reliable collection of data as an important step in making the right policies and the right decisions about the question that you've asked.

**The Chair (Ms. Cheri DiNovo):** I'm afraid your time is up, Mr. Miller.

We now move to the third party: Madame Gélinas.

**Mme France Gélinas:** My first question, I hope, will be a short one. It has to do with Attawapiskat and De Beers, the diamond mining company. There are tensions right now between those two partners. I was wondering: In your role as the Ministry for Indigenous Relations, what is the work of the government to help those two partners?

**Hon. David Zimmer:** Sorry. Just give me the tail end of that question again—just the last few words.

**Mme France Gélinas:** Your ministry is the Ministry of Indigenous Relations. There is a tense relationship right now. What can your ministry offer?

**Hon. David Zimmer:** This is a direct responsibility of our "indigenous relationships" title to the ministry. There was a reason why we moved from the title "aboriginal affairs" to "indigenous relations and reconciliation": a big emphasis on relationship building.

With respect to the resource and its resource benefit sharing particular to Attawapiskat and the diamond mine: I've been up to Attawapiskat. I've been to the mine site. I've been to the community of Attawapiskat, and I've met with the people at the mining site and at the Attawapiskat First Nation. There also may be some potential to develop a second mine some eight or 10 kilometres down the road from the Victor mine, which is the one that has been there for four or five years.

We are committed to engaging with indigenous partners on approaches to enhance participation in the resource sector. We want to do that by improving the way that the benefits of the resource sector are shared with the indigenous communities. We'll work to consider in advance how revenue sharing in both the mining and the forestry sectors—our ministry works closely with the Ministry of Natural Resources and the Ministry of Northern Development and Mines.

We have begun engagement with First Nations on these issues of resource benefit sharing. We are continuing those discussions. We have a forum, a body, in which we have those discussions: How can we help on this resource benefit sharing piece? That body, if you will, is called—and you might want to make a note of this—the Ontario First Nations Economic Forum. That's being held in October of—well, this month, October 2016.

**Ms. Alison Pilla:** The 12th and 13th.

**Hon. David Zimmer:** The 12th and 13th of October.

I'm going to ask Assistant Deputy Minister Pilla to speak on how that forum has been organized, because it's a joint effort of the First Nations and us, and it's going to address particularly those kinds of issues.

**Mme France Gélinas:** I would like, Assistant Deputy, if you could stay focused on—there is tension right now between the mining—De Beers—and the Attawapiskat

First Nation, so I'm more interested in a focus on, if this relationship fails, then—the minister started by saying that he has been there, so is he the one who bears the brunt of the failure? How do we make sure that it becomes a successful partnership between those two in view of your focus on indigenous relations? This is a relationship that is tense right now. It is your mandate to ensure indigenous relationships are built. What are you doing specifically between Attawapiskat and De Beers?

**Hon. David Zimmer:** Just before the deputy speaks, the principal lead on the negotiation on the Victor mine and the mine down the road, or the potential mine down the road, is the Ministry of Northern Development and Mines.

Having said that, the Ministry of Northern Development and Mines looks to us for advice on relationship building. We have relationships with the chiefs—the chief in particular here—and other band leadership, and so we will communicate with Attawapiskat First Nation. We will be in communication with De Beers. We will continue to support this economic development proposal up there by providing—and here's what we do specifically: We provide consultation and engagement capacity for the First Nation—in this case, Attawapiskat—and we do that through something called our New Relationship Fund.

The New Relationship Fund has a significant chunk of money in it. That is used to help indigenous communities like Attawapiskat and other organizations so that they can engage with the government and the private sector on resource issues, such as—

**M<sup>me</sup> France Gélinas:** Are those funds available to them now?

**Hon. David Zimmer:** That fund has been up and running. But now I'm going to let Assistant Deputy Minister Pilla respond to that.

**Ms. Alison Pilla:** So it's Alison Pilla. I'm assistant deputy minister for policy in the Ministry of Indigenous Relations.

The New Relationship Fund is a fund that is accessible to First Nation communities and Métis organizations on an annual basis. It's there to provide sufficient funding so that communities can have available a coordinator to manage consultation and partnerships with industry and with government.

As the government, we have a duty to consult with First Nations when there are resource developments that potentially have an impact. The ministries that are responsible for that are, in this case, as the minister said, MNDM, the Ministry of Northern Development and Mines. The funding from the New Relationship Fund is there to help communities address those issues where resource development or other activities may be occurring on the land, for which they need to engage the industry partner or discuss with the ministry. It gives them some capacity funding for that. It is available every year.

1620

**M<sup>me</sup> France Gélinas:** So if the relationship right now is becoming tense, the resources are those annual resour-

ces for capacity building—is there anything else that's springing into action?

**Hon. David Zimmer:** We've talked about capacity building. We've used that expression many times in the course of the 14 hours. So what is capacity building? The question you ask about the De Beers Victor mine and the potential new mine down the road is a chance for me to explain how we actually help with capacity building. What does that mean?

So we had this New Relationship Fund. Now put yourself in the mind of a First Nation, and you're sitting down with a large company—in this case, De Beers, an international company all around the world—and they have the best talent available at a negotiation or a discussion about how to share the benefits of the resource or how to move ahead with the development. They have got engineers, lawyers, consultants and all of the expertise.

A First Nation like Attawapiskat obviously does not have those resources. They don't have the engineers, the consultants, the geologists, the economists and so forth. The New Relationship Fund will provide them with the resources so they can get that advice from the best professionals. They can sit across the table—

**M<sup>me</sup> France Gélinas:** How much money are we talking about for Attawapiskat, coming out of this fund on an annual basis?

**Hon. David Zimmer:** Let me tell you—how much is in the New Relationship Fund?

**Ms. Alison Pilla:** For the full amount of the fund, I'm going to turn to my colleague here. Hillary Thatcher actually manages the fund. I think that it's around \$14.5 million a year that is available. Communities are required to apply for the funding. The fund is split up into a couple of pieces: One is for the core consultation, and there's a smaller amount available for other kinds of projects. That's how the fund is structured.

**M<sup>me</sup> France Gélinas:** Right now, if I want to know how much is available to Attawapiskat in this fiscal year, how much is that?

**Hon. David Zimmer:** I don't know, but perhaps someone at the ministry knows.

**M<sup>me</sup> France Gélinas:** I think she's looking it up.

**Hon. David Zimmer:** Yes.

If they've made the application—what triggers the process is that the First Nation calls and says, "We want to sit down and engage with company X on a development project. They're bringing all of their expertise and so on, and we need some help"—

**M<sup>me</sup> France Gélinas:** So how much were they successful in securing for this year?

**Hon. David Zimmer:** I'm not sure if they've applied. I know that other First Nations have applied, but I'm just checking—

**M<sup>me</sup> France Gélinas:** I think she has the answer.

**Ms. Hillary Thatcher:** I'm Hillary Thatcher, assistant deputy minister. The New Relationship Fund is provided to all communities. As we have procedures to ensure that the funds are being used and that we get reporting from

communities, we help oversee the communities' use of the funds.

For the last three years, Attawapiskat hasn't been receiving the New Relationship Fund. We continue to work with them on ensuring that their reporting is adequate to meet the need so we can continue funding.

Other funds are available through the province through the Aboriginal Economic Development Fund, which they're also eligible to apply for. We work with communities that indicate their needs and support them in that capacity.

**The Chair (Ms. Cheri DiNovo):** Madame Gélinas, you've got two minutes left.

**Mme France Gélinas:** How much was Attawapiskat able to secure from this other fund for this fiscal year?

**Ms. Hillary Thatcher:** To my knowledge, they haven't made an application for that fund.

**Hon. David Zimmer:** There is \$95 million or \$94 million—

**Ms. Hillary Thatcher:** It's \$95 million.

**Hon. David Zimmer:** —in the Aboriginal Economic Development Fund over 10 years. But a contribution from the fund is triggered by a request or application from the First Nation.

**Mme France Gélinas:** I just wanted to put it on the record that Attawapiskat and De Beers's relationship is really tense. You have a responsibility within your ministry under indigenous relations to look at indigenous relations. This is a relationship right now that needs a little bit of attention, and the tools that you have shared with me to help them are not helping them because they get zero dollars out of your ministry from those two—

**Hon. David Zimmer:** But it has to be triggered by an application. If you're going to Attawapiskat this weekend, speak to the band council, speak to the chief—and we're here. I've been up there. I've discussed these issues with the chief. I don't know why an application has not been made. Many other First Nations make regular applications and receive capacity funding. I've talked about capacity funding many times in the last 14 hours. It's one of the most successful and necessary pieces that we've got to level the playing field between sophisticated, private sector negotiation teams and First Nations negotiation teams.

**Ms. Cheri DiNovo:** Thirty seconds.

**Mme France Gélinas:** I'm just curious to see: Was any money allocated to the political accord that was signed with Grand Chief Isadore Day? All good; I just wanted to know how much expenditures were made or triggered by this accord.

**Hon. David Zimmer:** Just give me a second.

**The Chair (Ms. Cheri DiNovo):** You've only got about five seconds, so could you perhaps table that and get back to Madame Gélinas with that?

**Hon. David Zimmer:** Yes, all right.

**The Chair (Ms. Cheri DiNovo):** We now move to the government side: 13 and a half minutes. Ms. Kiwala.

**Ms. Sophie Kiwala:** Thank you once again for being here with us for this last few minutes of your time at estimates committee.

The first thing I want to say is, we've been discussing a little bit about Attawapiskat, and I just want to give a shout-out to my colleague, MPP Potts, and a group in his community, the Beaches Recreation Centre, which has raised \$3,500 for some hockey equipment for Attawapiskat. I just wanted put that on the record.

The item that I would like to talk to you about today is the significance of Treaties Recognition Week and what we're doing to promote it. I think it came out at the same time perhaps as the treaty map did. I'm not sure if I'm remembering that correctly. I'm wondering if you can talk a bit about that in the last few minutes that we have remaining.

**Hon. David Zimmer:** The significance of treaties: I think yesterday or the day before—I believe it was yesterday—I talked about the significance of treaties and so on and this concept, or this expression—it's more than an expression—this commitment that we make now and that we use regularly in our discussions and communication with First Nations, the private sector and members of the public. That's the phrase, "We are all treaty peoples." What we mean by "we are all treaty peoples" is that there are 43 treaties in Ontario. Treaties cover, essentially, all of Ontario.

Another way to think of a treaty is as a contract. They started to make treaties in the mid- and late 18th century, and they've made them regularly ever since. The last treaty was Treaty 9, which was done in 1906. Then there was something called the adhesion to Treaty 9, which was done in 1929. The remaining treaty that we're working on is actually out for ratification. I walked you through that negotiation piece, and that treaty negotiation is out for ratification as we speak.

But put your mind back 200 years ago or 150 years ago. The British government is here and they're moving north. They sit down with a First Nation in the north—perhaps it's near your area—and they negotiate a treaty. I have some of these original treaties, facsimiles of them, in my office, in the library, and I've looked at them. I looked at one treaty—I've looked at a number of treaties, but I remember one in particular.

1630

It was several long pages—five, six, seven pages—done in the late 18th century, beautifully handwritten script by an English scribe, all in proper 18th-century English, grammatically correct, with the 18th-century spellings and grammatical conventions of the day. Then, at the bottom you can see where the crown agent or the lieutenant governor or the local general, whoever was there, signed on behalf of the crown, and the Great Seal was put on it. Then, on the other side, there are a series of Xs.

I researched some of the history of that. We have some historical people in the ministry who have PhDs in First Nations history, and they told me the history of this particular treaty. It was the British land agent who had concluded the treaty, and then drew the treaty up and sat

down with the First Nation. I stand to be corrected on this, but the language was either Ojibway or Cree. The question was: How does one translate this? They got somebody who knew some English and some Cree or Ojibway—I forget which it was—who took the six- or seven-page treaty drafted by, I suppose, English lawyers and so forth and so on, and sort of gave the gist of the treaty.

A treaty is really a contract: If the government signs a treaty and the First Nations sign a treaty, one side says, “We’re going to do this,” and the other side is going to do that, and all the details are spelled out. Imagine yourself: You’re a First Nation, you’re at the signing ceremony and someone who has a sprinkling of English and Ojibway sort of says, “Well, this is the gist of the treaty. That’s what it means,” so you put the X and the treaty is signed.

It wasn’t until generations later when First Nations men and women who had become businesspersons and lawyers and accountants, and who had a good education and a full command of English, sat down and said, “Oh, I’m just going to have a look at this treaty,” and read the treaty through. When they got through the process of reading the treaty and examining it closely, the penny dropped. They said, “Ah, for the last 50 years” or 100 years or 150 years “we were supposed to be getting this and that, and the crown was supposed to be doing this and that. We were supposed to have this piece of land and have these rights, and the crown was going to pay this amount. And it never happened.” It never happened.

So as anybody else would do when there’s a contract between parties and they’ve agreed to do things for the mutual benefit of each other, the new breed of indigenous leaders, the businesspersons and lawyers and so on, came to the government and to the courts and wanted rectification. That’s what a lot of these negotiations are about: “Look at the treaty. There was a responsibility and an obligation to do thus and thus and it never happened, so you have to do it now. We’re looking for compensation for the past breaches of that treaty.”

In that regard, what we did was Treaties Recognition Week, in which we announced that there’s legislation that has proclaimed that the first week of November—so that will be this coming month—of every year as Treaties Recognition Week. What is Treaties Recognition Week? It establishes the week as a part of Ontario’s treaty strategy, which I talked about the last few days, to revitalize that treaty relationship and pursue reconciliation of the relationships with First Nations through dialogues—and not only dialogues, but then actions that one should reasonably take or follow up on as a result of the dialogues. Treaties Recognition Week is also a part of our government’s response to the Truth and Reconciliation Commission. It specifically calls on governments to raise awareness of treaties and indigenous histories.

If I can tell you another anecdote about Treaties Recognition Week—I think I told you the story earlier about the map on my wall and the businessperson who came through and didn’t realize there were 133 First Nations in Ontario. He was quite taken by the map,

because it has colour-coded the 43 treaties and the dates of the treaties going back to the late or mid-18th century.

That map, as I said earlier, has gone out to 5,200 or 5,400 elementary and high schools in Ontario, with an instruction to the school through the school board and through the Ministry of Education—Minister Sandals, as she then was. The treaty is posted in a prominent place in the school. There is a series of talks around the map and what it means.

I arranged to have the first map done in a school in Willowdale. An elder from the Mississaugas of the New Credit was there, and we arranged to have Mr. Justice Sidney Linden come. They spoke about the treaty map and what treaty awareness means and told them the story that I’ve just told you about the treaties that were entered into by very sophisticated crown agents and First Nations who did not have a command of English, and all the efforts that we’re doing to sort that out.

**The Chair (Ms. Cheri DiNovo):** Minister, you have three minutes left.

**Hon. David Zimmer:** Proclaiming Treaties Recognition Week in Ontario has been an enormous success. We sent out 5,300 or 5,400 of those maps to the schools, but I understand now that our print is up to 11,000. What we’re finding is that industry and the private sector and churches and municipalities across the province have found out about this map, and they call us and say, “Send us a copy of the map.”

I know that down at Maple Leaf Gardens, I think there’s a copy up there because Larry Tanenbaum, who’s at Maple Leaf Sports and Entertainment, decided that he wanted to have a map up in his office so that all of the people who came through his office could understand what treaties were all about. He’s very interested in that because he plays an important role in Right to Play, which makes an enormous contribution to young First Nation and Métis and Inuit athletes who want to learn to play hockey and sports and so on because it gives them discipline and confidence and so on.

I would, as a parting comment, urge each and every one of you to get one of those maps and to promote it in your school. I can tell you that at St. Paul’s university, which is a constituent college of the University of Waterloo, they have got an indigenous room set aside, and that map is prominently displayed—

**Ms. Daiene Vernile:** Yes, in the United church.

**Hon. David Zimmer:** It’s in the church there, and it has generated a lot of activity. I get many requests to speak to schools, church groups, women’s clubs, men’s clubs, Rotary clubs—they really want to understand this concept of treaties and this idea that we are all treaty peoples and what that means. That, of course, then leads to discussions on all of the issues that we’ve been talking about today: health, education, resource benefit sharing and why it’s necessary and it’s the right thing to do all of those things, because all of those things sort of grow out of treaty obligations, and we are all treaty peoples.

I’ll stop there, Chair.

**The Chair (Ms. Cheri DiNovo):** You’ve got 30 seconds, if you want to say something.

**Hon. David Zimmer:** I have three seconds?

**The Chair (Ms. Cheri DiNovo):** Thirty.

**Hon. David Zimmer:** Thirty seconds. Well, the next time I'm up in Bracebridge and I'm near the town hall, or perhaps your constituency office, Mr. Miller, I will pop in and expect to see a treaty map on the wall.

**Mr. Norm Miller:** I've got one in my office.

**Hon. David Zimmer:** See? He's got one in his office. That's why you're the critic, because you have a—

**M<sup>me</sup> France Gélinas:** Also because you gave us all one. I have one in my office.

**Hon. David Zimmer:** You have one in your office? Well, if anybody hasn't seen the treaty map, it will trigger a whole lot of questions and ideas and interest. It's the way to get started.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. This concludes the committee's consideration of the estimates of the Ministry of Aboriginal Affairs. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Shall vote 2001, the Ministry of Aboriginal Affairs program, carry? Carried.

Shall the 2016-17 estimates of the Ministry of Aboriginal Affairs carry? Carried.

Shall I report the 2016-17 estimates of the Ministry of Aboriginal Affairs to the House? I will do that.

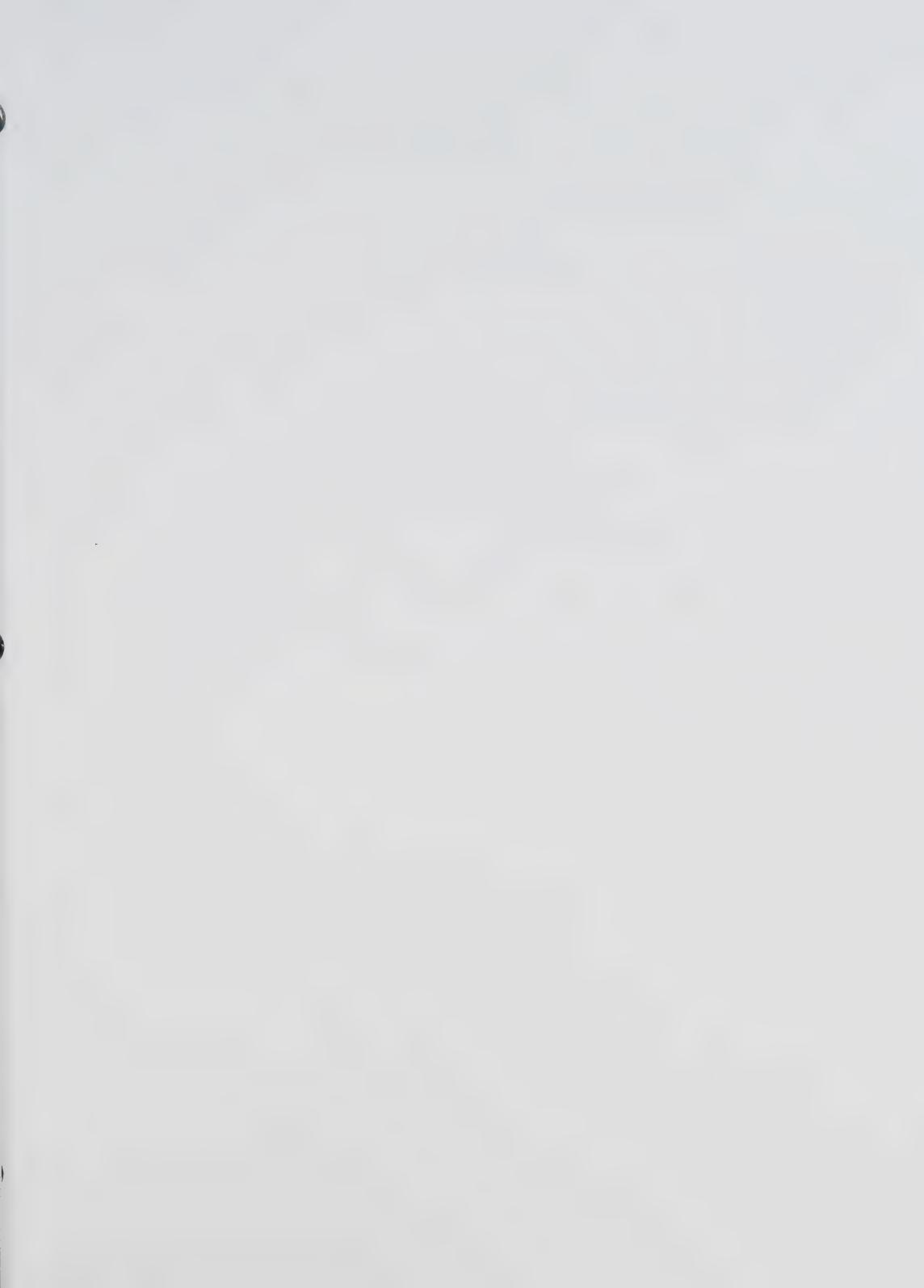
Thank you all.

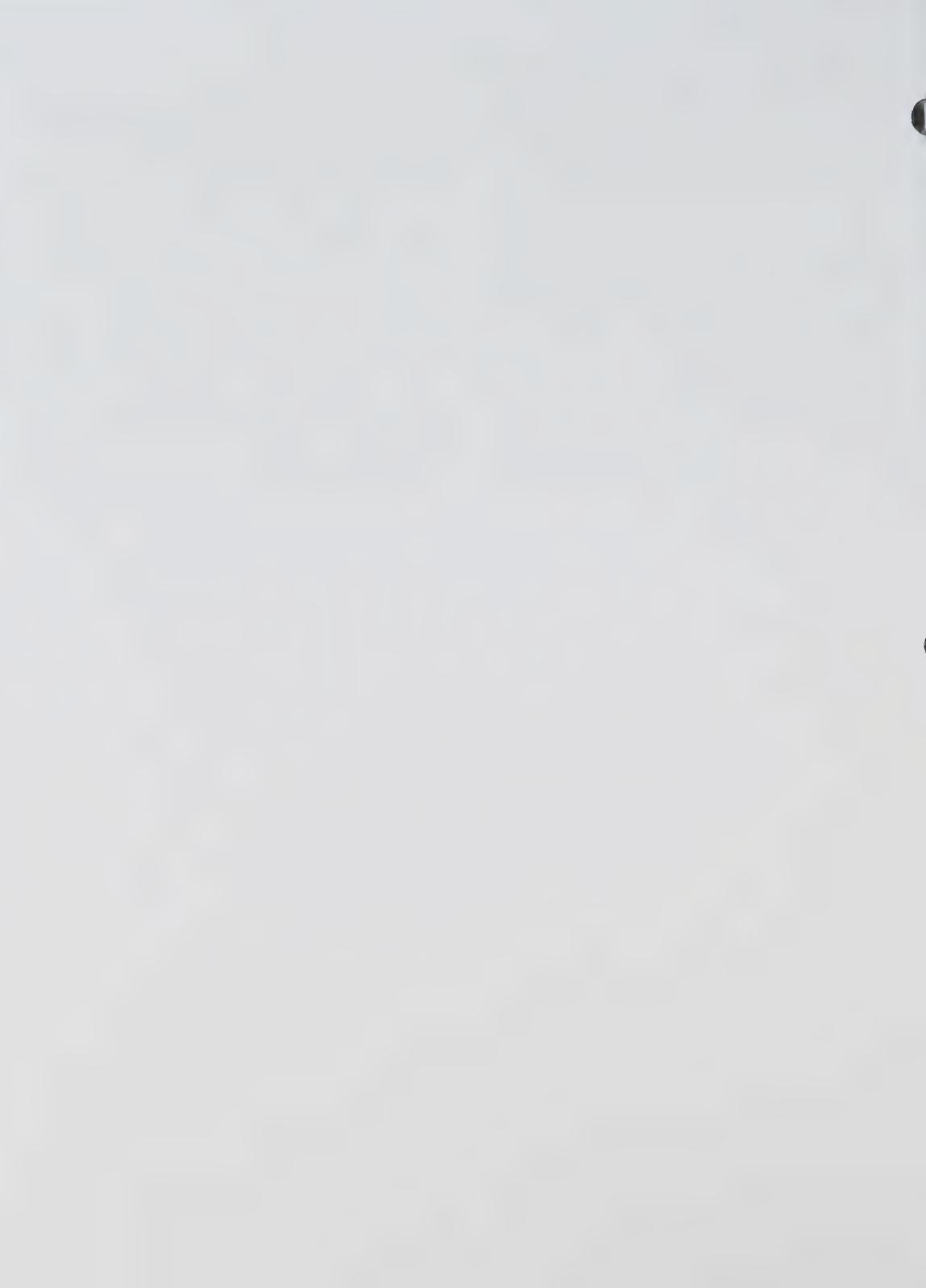
By the way, we now stand adjourned until October 18 at 9 a.m.

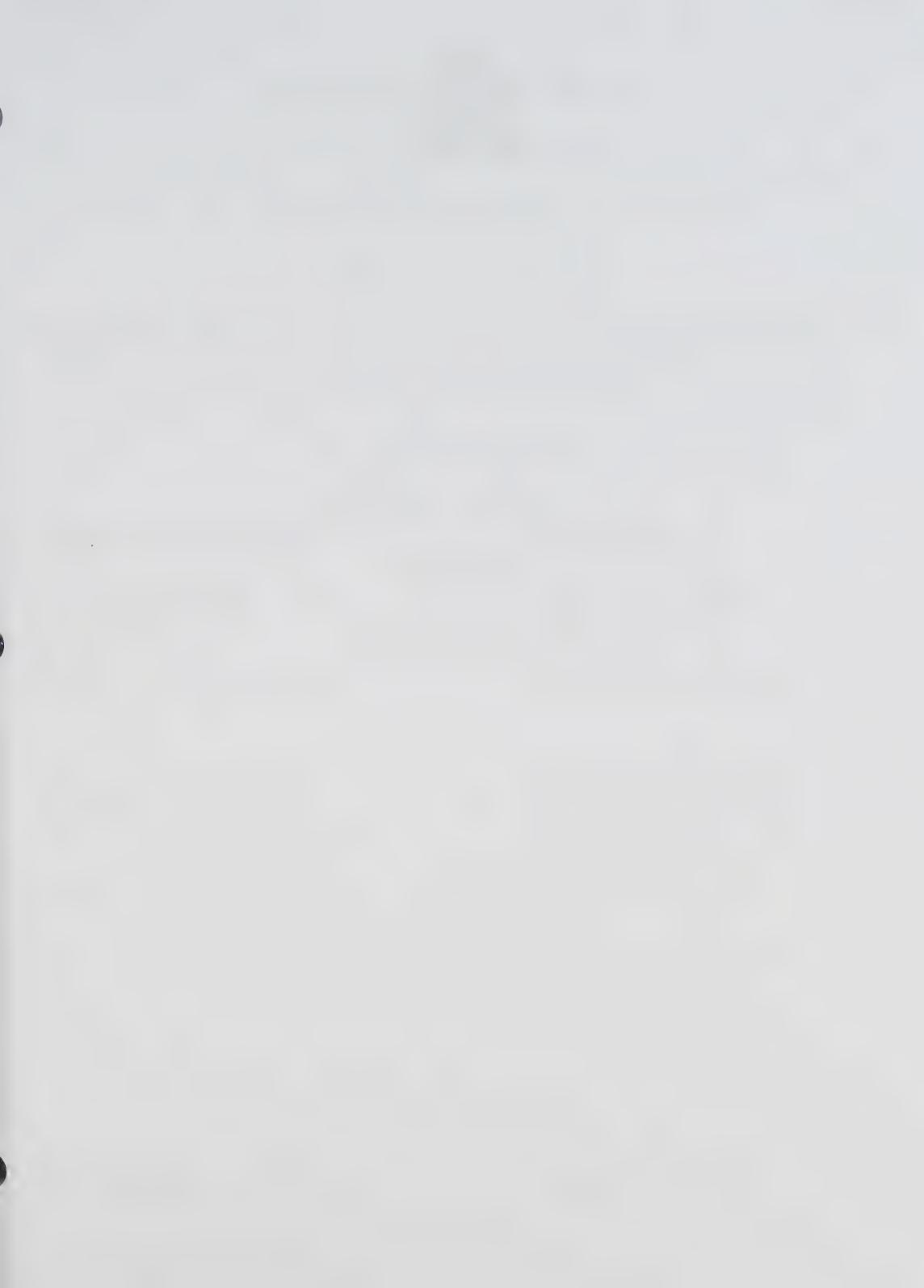
**Hon. David Zimmer:** May I just take 15 seconds? I just want to thank the committee for the 15 hours of their attention and interest, and I hope that you all have a better appreciation of these issues. I certainly have a better appreciation of the issues that I've gained from some of the very pointed questions on these issues. It's given me and officials from the ministry things to think about. Thank you for the questions from the opposition parties and from my colleagues on the government side. It's a dialogue.

**The Chair (Ms. Cheri DiNovo):** Thank you all.

*The committee adjourned at 1642.*







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**Standing Committee on  
Estimates**

Ministry of Energy



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de l'Ontario**

Deuxième session, 41<sup>e</sup> législature

**Journal  
des débats  
(Hansard)**

Mardi 18 octobre 2016

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budgets des dépenses**

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## **CONTENTS**

Tuesday 18 October 2016

Ministry of Energy .....	E-97
Hon. Glenn Thibeault	
Mr. Serge Imbrogno	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 18 October 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 18 octobre 2016

*The committee met at 0900 in committee room 1.*

## MINISTRY OF ENERGY

**The Chair (Ms. Cheri DiNovo):** Welcome. Good morning, everyone. The committee is about to begin consideration of the estimates of the Ministry of Energy for a total of seven hours and 30 minutes. As we have some new members, a new ministry and a new minister before the committee, I would like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

I would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant to the estimates of the ministry, and the ministry for its part demonstrates openness in providing information requested by the committee.

As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee to ensure they are confident the ministry will spend those dollars appropriately. In the past, members have asked questions about the delivery of similar programs in previous fiscal years, about the policy framework that supports a ministry approach to a problem or to service delivery, or about the competence of the ministry to spend the money wisely and efficiently. However, it must be noted that the onus is on the member asking the question to make the questioning relevant to the estimates under consideration.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer.

Are there any questions before we start?

**Mr. Todd Smith:** Chair, if I could, would it be possible—I know I've requested this in the past—when the Amethyst Room is available, if the Clerk could move

the committee to that room just because of the closed-circuit television that's available?

**The Chair (Ms. Cheri DiNovo):** Eric?

**The Clerk of the Committee (Mr. Eric Rennie):** Yes, absolutely. The request had gone through earlier in the session of Parliament. We're just meeting in room 1 today because social policy is using the Amethyst Room, but tomorrow afternoon we'll be back in the Amethyst Room.

**Mr. Todd Smith:** Thank you, Clerk.

**The Chair (Ms. Cheri DiNovo):** Thank you, Mr. Smith.

I am now required to call vote 2901 of the estimates, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

Minister, the floor is yours.

**Hon. Glenn Thibeault:** Thank you, Chair DiNovo and all committee members. I'm pleased to be here today to talk to you about the Ministry of Energy estimates.

First, I'd like to start by introducing the senior ministry officials who are here with me today. Of course, we've got Deputy Minister Serge Imbrogno sitting to my left; we have assistant deputy minister of energy, supply division, Steen Hume; assistant deputy minister of the conservation and renewable division, Kaili Sermat-Harding; the assistant deputy minister of strategic, network and agency policy division, Michael Reid; assistant deputy minister, corporate services, Rob Burns; and executive director, Investment and Governance Secretariat, Scott Nelms.

I also want to recognize the hard work, dedication and commitment that these leaders and the entire ministry staff devote to energy projects throughout the province every day.

I'm pleased to be here in my first appearance at the estimates committee as the Minister of Energy to share some of the great accomplishments our ministry has achieved and is working towards. But before I delve into these achievements, I would like to begin by saying a few words about energy and electricity policies in our Building Ontario Up plan.

Perhaps the best way to start is with our overarching goal: to provide clean, reliable and affordable power, which is central to supporting businesses, creating good jobs and building a stronger economy. As our economy continues to expand and grow, and as innovations in electric cars and electrified regional public transit present themselves, we are increasingly dependent on the stability of our energy system. This makes our unwavering commitment to cost-effective, clean, robust power generation supply that much more imperative.

As you are all no doubt aware, over the past 10 years, Ontario's electricity system has been significantly rebuilt and dramatically reformed. We were faced with an aging infrastructure, a shortage of supply and a system that relied on expensive imports and dirty coal. We've taken significant action to reduce emissions from the electricity sector through the elimination of coal-fired electricity generation and associated investments in emission-free generation.

In April 2014, Ontario became the first jurisdiction in North America to fully eliminate coal-fired generation from our energy supply. The elimination of coal-fired generation has resulted in a 30-million-tonne reduction in greenhouse gas emissions since 2003. In 2015, Ontario's electricity generation was over 90% emissions-free. The people of Ontario can be proud that closing our coal plants was the single largest climate change initiative undertaken in North America, and had the equivalent impact of removing up to seven million cars from Ontario's roads.

To add to this tremendous accomplishment, we're so very proud to recognize that the government passed legislation making it illegal for any future government to burn coal to generate electricity, cementing a future of cleaner air and healthier citizens.

We wouldn't be where we are today without the many partners inside and outside of government who develop the electricity generation, transmission and other energy-related facilities that help power our economy and ensure that Ontario remains one of the best places in the world to work, live, invest and raise a family. I'd like to acknowledge and recognize the hard work of our agencies and partners for helping us achieve our goals: the Ontario Energy Board, or the OEB; the Independent Electricity System Operator, or IESO; Ontario Power Generation; and, of course, the utilities. Local distribution companies across the province are the face of energy for the people of Ontario. Together with these agencies and partners, we have made significant progress, transforming our electricity system into one that Ontarians can count on.

The Ministry of Energy has a critical role in supporting the government's long-term priorities of economic prosperity, environmental stewardship and sustainable communities. We meet these priorities through the results of key initiatives such as the 2013 long-term energy plan, the industrial conservation initiative, nuclear refurbishment, continuing to support and encourage indigenous community participation in energy projects, and broadening the ownership of Hydro One, just to name a few.

I'll take the opportunity now to share with you some of the excellent progress and exciting work that has taken place in 2015 and 2016. I'll start with one of our most recent accomplishments, one I'm extremely proud of. In July, Ontario selected Watay Power to connect 16 remote First Nation communities, which currently rely on diesel power, to the province's electricity grid. Once complete, the project will provide more than 10,000 people living in remote First Nation communities in northwestern Ontario with a reliable, clean supply of electricity. Watay Power plans to begin construction work starting in 2018, once all approvals are secured, with the goal of completing construction and connecting communities by 2024.

Next I'd like to talk about the Green Investment Fund. As a down payment to Ontario's Climate Change Action Plan, the government is investing \$100 million to help homeowners upgrade their homes, reduce their energy bills and cut greenhouse gas emissions through the Green Investment Fund, or GIF. In partnership with Enbridge Gas Distribution and Union Gas, the program will help about 37,000 homeowners across the province conduct audits to identify energy-saving opportunities and then complete retrofits such as replacing furnaces and water heaters and upgrading insulation. Homeowners who heat their homes with natural gas, oil, propane or wood can apply for rebates towards energy audits and retrofits.

Staying on the theme of achievements, our main priority is to provide Ontarians with clean, reliable and affordable energy. We're achieving that goal and these key objectives through the implementation of the 2013 long-term energy plan, more commonly known as the LTERP. The 2013 LTERP was designed to balance five principles that guide all of our decisions: cost-effectiveness, reliability, clean energy, community engagement, and putting conservation first. For the past two-plus years, we've been rolling out a variety of initiatives under the plan, and it will continue to guide our efforts.

The overarching theme throughout the LTERP and the guiding principle of the plan is that we are committed to putting conservation first. Conservation is the cleanest and most cost-effective energy resource we have, providing multiple benefits to Ontarians. It offers families and businesses a way to save money on their energy bills and improve their home comfort, and improve their quality of life. It reduces strain on our electricity system and the need to build expensive energy infrastructure, mitigating upward pressure on energy prices. And it reduces greenhouse gas emissions and air pollution, contributing to a cleaner future for our children and for our grandchildren.

0910

Overall, the more we save the less we need to look for new supply. It means bringing that mindset to work with our agencies, with local distributors and with ministries that we partner with. And it means building a culture of conservation in Ontario.

As we plan our energy needs for the next 20 years, conservation will be the first resource we consider before building new generation, transmission and distribution

infrastructure wherever cost-effective. When you consider the potential for large-scale electrification, making the most of our existing resources and achieving maximum efficiency becomes doubly important.

Our ministry is providing leadership in implementing conservation first by setting energy conservation policy and establishing energy efficiency standards. Ontario has been regulating the energy efficiency of products and appliances for over 25 years. We set efficiency standards for over 80 products and appliances using electricity, natural gas, oil and propane found in all sectors, residential, commercial and industrial. Since 2012, over 60 products have been updated with new or updated efficiency standards, and harmonized with efficiency standards of leading North American jurisdictions such as the US Department of Energy.

Earlier this year, the Energy Statute Law Amendment Act, 2016—or Bill 135—included an amendment to the Green Energy Act, 2009, to enable regulating the water efficiency of products and appliances which consume both energy and water. By setting water efficiency standards for these products, we will be able to further reduce energy and water consumption and GHG emissions in Ontario. We continue to show leadership in regularly updating our energy efficiency regulation. Proposals for the next update to Ontario's energy efficiency regulation, including water efficiency standards for five products, have been posted on the environmental registry for a 45-day public review.

Product efficiency standards also play a key role in achieving commitments made by the Council of the Federation, the Canadian Energy Strategy, and by the Energy and Mines Ministers' Conference to advance energy efficiency efforts in Canada. CES and the EMMC were engaged in complementary work to support a national harmonization of efficiency standards, and Ontario was co-chairing the work with BC and NRCan.

Efficiency standards also support Ontario's Climate Change Action Plan and objectives of the First Ministers' meeting on a pan-Canadian framework in reducing GHG emissions from the building sector.

A 2013 LTEP reinforced our commitment to conservation. It set a long-term conservation target of 30 terawatt hours in 2032 and a goal of meeting 10% of peak demand using demand response by 2025. Our long-term conservation target represents a 16% reduction in forecast gross demand from electricity, the equivalent to more than all the power used by the city of Toronto in 2015.

In 2015, preliminary results show Ontario achieved 1.2 terawatt hours of net energy savings and 366 megawatts of net peak demand savings through electricity conservation programs delivered by local distribution companies, and, for program delivery to transmission-connected industrial customers, by the IESO. These preliminary results build on the 9.9 million gigawatt hours of net energy savings and the 3,628 megawatts of net peak demand savings conserved from 2005 to 2014 through programs and changes to building codes and product standards.

Energy efficiency will also help us with another key priority: meeting our objectives to reduce greenhouse gas emissions through our government's climate change action plan.

In collaboration with its agencies and partners, the ministry is working on a number of initiatives to make progress in implementing Conservation First. Ontario launched new six-year electricity and natural gas conservation frameworks to support electricity and natural gas utility conservation and energy efficiency programs. Both frameworks are a long-term commitment to conservation and energy efficiency and are aligned to enable greater collaboration of conservation efforts among utilities.

On January 1, 2015, Ontario launched its new Conservation First Framework to support province-wide and local electricity conservation programs. It builds on the success of programs already in place from 2011 to 2014 and supports the development of new programs to meet local needs and offer more customer choice. The new framework ensures that conservation and energy efficiency expertise, rebates and incentives will continue to be available to Ontario's homes and businesses to help them use energy wisely, manage their energy bills and reduce their greenhouse gas emissions. Underlying the foundations of this framework is an understanding that local utilities know their customers and are in the best position to deliver conservation programs. The new framework gives local utilities more control over the conservation programs offered in their service area. The framework is expected to achieve seven terawatt hours of electricity savings and to assist the province in achieving its long-term conservation target. All local distribution companies across Ontario have submitted their 2015-to-2020 conservation and demand management plans to the IESO, the Independent Electricity System Operator, for review. All plans are now approved.

On December 22, 2014, the Ontario Energy Board released a new demand-side management, or DSM, framework, which supports the delivery of natural gas conservation and energy efficiency programs. The new DSM framework puts conservation first by doubling budgets to approximately \$825 million for Ontario's two major natural gas distributors, Enbridge Gas and Union Gas. This brings Ontario's total spending on natural gas conservation in line with leading US jurisdictions. Enbridge Gas supplies natural gas to approximately 40% of Ontario homes and businesses and Union Gas to approximately 30%. The framework also encourages the co-ordination and integration of natural gas conservation programs with electricity conservation programs. On January 20, 2016, the OEB approved plans and programs for Enbridge and for Union Gas. The government is also working in partnership with Enbridge and Union to invest \$100 million from the Green Investment Fund towards residential energy audits and retrofits.

To help consumers continue to see cost savings and manage electricity prices, we've put a number of programs in place. I'll start with a new initiative I'm

especially proud of: the Ontario Electricity Support Program, also known as OESP, which was launched on January 1 of this year. For many low-income Ontarians, paying their monthly electricity bill is a challenge. For those who apply and meet the eligibility requirements, the OESP provides monthly credits that range from \$30 to \$50. This can be very significant for a low-income family. For customers with unique electricity needs, they could be eligible for a higher level of assistance. That's through the OESP program.

We eliminated the debt retirement charge for residential customers on January 1, 2016, resulting in a savings of about \$70 per year for a typical customer who consumes about 750 kilowatt hours per month.

The Northern Ontario Energy Credit provides assistance to low- to moderate-income individuals and families living in northern Ontario, who can be exposed to higher energy costs due to the more severe winters and heavier reliance on more expensive home heating fuels. For the 2016 benefit year, qualifying individuals received up to \$146 annually and families, including single parents, received up to \$224 annually.

920

Because even more help is needed with the cost of electricity, I'm especially proud of our most recent announcement, including the Ontario Rebate for Electricity Consumers Act, which will lower electricity bills for people and businesses across Ontario. This legislation, if passed, will rebate an amount equal to the provincial portion of the HST directly on electricity bills for millions of families, farms and small businesses—an 8% permanent rebate every month.

We're doing this because we know that families need help with the cost of everyday living. Despite consistent economic growth since the global recession, many families aren't feeling Ontario's resurgence in their everyday lives.

We also recognize that rebuilding and cleaning up Ontario's electricity system has come at a cost. Over the last decade we've rebuilt our transmission and distribution grid, we've invested in clean generation and we've closed the last dirty coal-fired power plant. But we need to take the next step in ensuring that that clean and reliable system is also affordable. We're able to take action now because years of careful management are leading to a balanced budget in 2017-18, and we believe that Ontarians should be the first to benefit from the province's fiscal discipline.

Recognizing this, we are introducing new measures that would take effect January 1, 2017, including rebating the provincial portion of the HST to reduce bills by 8%—on average, that's \$130 annually; cutting delivery charges for the most rural customers by 20%—that's 330,000 families and \$540 annually; and empowering industrial businesses to reduce bills by one third through the industrial conservation initiative. Taken together, this plan represents one of the single largest actions to reduce costs for electricity consumers in the province's history. It will provide needed assistance to consumers of all sizes, and it targets support to those that need it most.

This plan builds on our government's commitment to provide affordable access to energy, including providing support for low-income families, expanding natural gas to more communities, and grid-connecting remote First Nations communities.

We also have developed a number of cost mitigation programs and taken key steps to work with industry to keep electricity costs competitive with other jurisdictions. This includes an important list of actions taken in recent years to reduce system costs and mitigate increases, including:

- renegotiation the Samsung agreement, reducing contract costs by \$3.7 billion;

- deferring the construction of two nuclear reactors at Darlington, avoiding an estimated \$15 billion in new construction costs;

- maximizing the value of our existing nuclear fleet by starting Bruce refurbishments in 2020 instead of 2016, thus helping to achieve \$1.7 billion in savings relative to the 2013 long-term energy plan forecast;

- by continuing to operate Pickering up to 2024, pending regulatory approvals, which could save ratepayers as much as \$600 million;

- reducing feed-in tariff or FIT prices through annual price reviews, saving ratepayers at least \$1.9 billion; and

- introducing strong competition between developers of large renewable projects through the LRP process to drive down prices and secure clean, reliable generation for the province.

As a result of lower prices and revised procurement schedules, LRP 1 costs were approximately \$1.5 billion lower than the 2013 LTER forecast. This would save the typical residential electricity consumer an average of approximately 56 cents per month on their electricity bill relative to previous forecasts.

We've also recently undertaken significant action to reduce costs for ratepayers while at the same time securing a clean and steady supply, which I'd like to speak to you about today.

Over the last 10 years, Ontario has taken a bold step forward and is leading the world in renewable energy. Approximately 18,000 megawatts of wind, solar, bio-energy and hydroelectricity energy are currently contracted or are online. These technologies comprise approximately 17% of Ontario's energy supply mix.

The contribution of wind and solar to our provincial supply mix is expected to rise to 23% by 2025, of which 15% will come from wind, providing clean, emission-free generation for Ontarians.

Ontario ranks first in Canada for installed wind capacity, with wind energy providing enough electricity to power approximately 1.2 million homes each year, although, as part of this success, we must consider the options before proceeding with any further renewable procurements, and in doing so, seek the best advice of our experts.

On September 1, our electricity sector experts at the Independent Electricity System Operator delivered the Ontario Planning Outlook. This report highlights that

Ontario has one of the cleanest and most reliable electricity grids in North America and provides modelling that shows that we will have a strong and steady supply of power for the next 10 years. In short, it is clear to me that there is no urgent need to pursue additional electricity supply at this time.

Given these conclusions, it only makes sense that as a government and as a new minister, we look carefully at our procurements and make common-sense adjustments where required. Therefore, we have decided to suspend the second phase of the Large Renewable Procurement process as well as the Energy-From-Waste Standard Offer Program, deferring the procurement of more than 1,000 megawatts of energy projects. Instead, we will review the role of these procurements as part of the next long-term energy plan consultations, which I know many of you are looking forward to taking an active part in when they get under way later this fall.

Ontario will honour the renewable contracts that have been signed, including those signed earlier this year under the first LRP process. However, we will not proceed with any other planned procurements for large, utility-scale wind, solar, biomass, bioenergy or water power projects.

Based on the evidence from the IESO, we are confident that we will maintain among the cleanest, most reliable electricity systems in North America. When our experts tell us that we can do without procuring additional generation, it's up to us to heed that prudent and responsible advice and ensure savings for electricity consumers.

The decision to suspend the LRP II process is expected to save \$3.8 billion in electricity system costs relative to the LTEP 2013 forecast, saving the typical residential electricity consumer an average of approximately \$2.45 per month on their electricity bill.

**The Chair (Ms. Cheri DiNovo):** Minister, you have just under five minutes left.

**Hon. Glenn Thibeault:** Thank you.

While our government remains committed to clean energy, as I said, all contracts that have already been signed will be honoured, and we are taking a responsible, evidence-based approach to adjust to evolving needs. Our next long-term energy plan will consider the complete picture of Ontario's needs and how best to deliver savings for ratepayers in the years ahead. That's what Ontarians expect their leaders to do, and this must be our focus as we move towards renewing the long-term energy plan.

I want to thank the committee for the invitation to join you here this afternoon to discuss our work—the work that our ministry is doing to make Ontario's electricity system clean, reliable and affordable for all.

Chair, I believe I have about three or four minutes left.

**The Chair (Ms. Cheri DiNovo):** Yes, you do.

**Hon. Glenn Thibeault:** I'm more than happy to share that with the committee. With that, I will look forward to the questions, which I know will be focused on the pressing policy issues and priorities of all Ontarians.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister.

We now move to the official opposition: Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Chair. It's great to be here this morning.

You talked about the IESO telling you that you didn't need to embark on any more large-scale energy projects. I suspect they've been telling you that for some time, but that's not my question.

You highlighted the Ontario Electricity Support Program as one of your cornerstone programs. We've dealt with that in our constituency offices. It's more a source of frustration for people who come through the door than it is, "Oh, great. There's some help for us."

A family of four making \$39,001 is not eligible for anything; a family of four making \$39,000 is not eligible for anything under your program. So I think it needs to be pointed out.

0930

The question I've got this morning is: On page 113 of the public accounts, which states that the Ontario Energy Board spent nearly \$12 million on the Ontario Electricity Support Program—of that nearly \$12 million, \$9 million was spent on consulting and professional. Do you approve of \$9 million worth of consultants to figure out how to hand out a rebate—\$9 million in consultants?

**Hon. Glenn Thibeault:** Thank you for the question. Chair, I think it's very important to say that we are very proud of the OESP. It's designed to offer support to those who need it the most. The important thing to emphasize is that in order for those people to benefit from this program—it's \$45 a month for families who qualify for that, it's a sliding scale for others; and up to \$75 a month for those who heat their home with electricity, who use medical equipment—these families need to apply for the program, but in order to apply, they need to know about it.

So we've worked with the OEB to ensure we've done everything we can to make sure that these families know about it. Currently, in 10 months, we've had 145,000 families sign up for this program. That's great news. We want to see more families sign up for this program.

In talking about the comprehensive OESP, I'd maybe ask the deputy to talk in the particulars about that.

**Mr. John Yakabuski:** We know the program. Could you answer the question as to whether or not you agree that \$9 million—

**Hon. Glenn Thibeault:** The unfortunate thing, though, is that when I was at the AMO—

**The Chair (Ms. Cheri DiNovo):** One at a time, please. Mr. Yakabuski?

**Mr. John Yakabuski:** I would like an answer as to whether or not you believe \$9 million was an appropriate amount to spend.

**Hon. Glenn Thibeault:** Some \$12 million to have 145,000 families, and hopefully more, to sign up for this program is money well spent. We're very proud of this program, and this is a very comprehensive program.

The unfortunate thing is that when I was at AMO—

**Mr. John Yakabuski:** And how much money have you—

**Hon. Glenn Thibeault:** Hang on. I'm answering your question.

When I was at AMO, and we were talking with councillors, mayors and other individuals from communities, it was members who would come in from opposition ridings, specifically the PC Party, who didn't know this program existed. We want to ensure that MPPs right across the board help their constituents with this program and let them know that this program exists. We'll continue to make sure that we put the money in place to let families know—10 months, 145,000 families. That's a pretty good record for us in terms of what we're seeing, and we'd like to see more families on that.

**Mr. John Yakabuski:** I can assure you that the information is in every one of the PC constituency offices—every one of them.

**Hon. Glenn Thibeault:** Well, I hope they're promoting it. I really do hope they're promoting it.

**Mr. John Yakabuski:** We don't have \$10 million in consultants to advertise—

**Hon. Glenn Thibeault:** But you started, sir, saying, in the question, about people coming in the door—

**Mr. John Yakabuski:** I asked about \$9 million for consultants, and you agree that \$9 million—\$2.5 million was spent on advertising. We get that. It's still a lot of money, but \$9 million—

**Hon. Glenn Thibeault:** We're pretty proud of this program.

**Mr. John Yakabuski:** —\$9 million on consultants. Are you comfortable that that is an appropriate amount?

**Mr. Serge Imbrogno:** Mr. Yakabuski, maybe I can give you some details on that. This is a new program—

**The Chair (Ms. Cheri DiNovo):** Would you state your name first? Thank you.

**Mr. Serge Imbrogno:** Sorry. Serge Imbrogno, Deputy Minister of Energy. This was a new program that the OEB developed. We asked the OEB to come up with a program that would deliver the benefits to low-income households. The OEB had to procure consultants to undertake the development of the software. Because it's income-tested, we have to link that software into the Canada Revenue Agency as well.

**Mr. John Yakabuski:** That information is available—

**Mr. Serge Imbrogno:** So there's a whole infrastructure that had to be built in order for the program to be up and running. I know the OEB—

**Mr. John Yakabuski:** Of those 140,000, how much money has been paid out under the OESP?

**Mr. Serge Imbrogno:** We can get that to you.

**Mr. John Yakabuski:** That would be helpful.

**Mr. Serge Imbrogno:** I will give you that exact number, but I think—

**Mr. John Yakabuski:** We'd like that number, how much money has been paid out, because that's—

**Mr. Serge Imbrogno:** There's about 140,000-plus households that have been approved—

**Mr. John Yakabuski:** —that's how we'll measure against \$9 million in consultants, \$12 million in fees.

**Mr. Serge Imbrogno:** This is an ongoing program, so that includes the start-up costs, which would be one-time, and then there's ongoing costs. So the \$9 million—

**Mr. John Yakabuski:** Yes, but we understand, you guys—

**Mr. Serge Imbrogno:** A large portion of that is the start-up costs.

**Mr. John Yakabuski:** —have a program that runs for a little bit, then you come up with a new one, and then you hire a new bunch of Liberal-connected consultants who get well paid for their work. So we'd like to know how much money has actually been put out to the public, to those needy families, as you say, under the OESP. The amount of dollars—you give me a number—

**Mr. Serge Imbrogno:** We can get those to you. The procurement was done in an open, competitive fashion.

**Mr. John Yakabuski:** Could we get, then, a release of every one of those consulting contracts, every firm that was part of that \$9 million? Could we get the details of every one of those contracts and what work was done for \$9 million? Am I correct when I say that that \$9 million goes on to the rate base of every other electricity consumer in the province who is also struggling?

**Mr. Serge Imbrogno:** Those costs would be covered through the OEB, and the OEB recovers its costs through rates.

**Mr. John Yakabuski:** Through rates; right.

**Mr. Serge Imbrogno:** The OEB would publish that information. To the extent that the OEB makes that public, we can get that information to you.

**Mr. John Yakabuski:** Would publish what information—the contracts?

**Mr. Serge Imbrogno:** In terms of the contracts and the detail on those contracts.

**Mr. John Yakabuski:** So would you provide those to us?

**Mr. Serge Imbrogno:** I'll check with what the OEB has provided, and if they make that public, we can provide that to you.

**Mr. John Yakabuski:** Only what they make public—or can you force them to make the contracts public?

**Mr. Serge Imbrogno:** I don't think we would force the OEB to make information public. I would think—

**Mr. John Yakabuski:** You guys have given 96 directives to the OEB. I'm sure you can give one more.

**Mr. Serge Imbrogno:** We'll talk to the OEB and see what they've made public, and then we can provide that information to you.

**Mr. John Yakabuski:** Okay. So at the same time that this government spent \$6.5 million consulting on how to sell Ontera for \$6 million—I'm not surprised that I'm not getting clear answers on these consultants, and a lot more about how the OEB might have some information for us. We'd really like an undertaking that we're going to get an absolute clear answer as to what was spent and how it was spent. I think the people of Ontario deserve to know.

The ratepayers who are paying for those contracts deserve to know that.

So why wouldn't you have just applied—I mean, there are 500,000 households who would be eligible for this program. Why wouldn't you have just applied this to the households with the lowest incomes, instead of hiring consultants—\$9 million on consultants—and flashy advertisements that are self-promoting for the government? Could you not have simply made this program available like the Ontario tax credit used to be available? It's an income-based program that's done on your tax returns. Could you not have had a program that was simply directed at the lowest-income families in Ontario without having this flashy advertising campaign that cost two and a half million dollars but was certainly designed to make the government look magnanimous and generous to the people of Ontario? That's what seems to be the mantra, because you've got 140,000.

We're here in to the 10th month of the program and you've got less than a third of the families that are eligible for this who have actually benefited. You call that a success rate? It's at a time when hydro rates are the highest they've ever been, among the highest in North America, and you've got less than a third of the people who have benefited from it, yet the consultants have all been paid. I'm sure the consultants' \$9 million is money in the bank. Why would you not have simply dealt with this on an income-based criteria?

**Hon. Glenn Thibeault:** I can answer the very first piece. The OESP is a comprehensive program. The ad buy is done by the OEB, consisting of print, radio and bus shelter advertisements.

The one thing that you mentioned—these are non-partisan ads. If you look at the ads—and you can see them if you just go outside and look at any of our transit stops; they're right across the region, right across the province—these are non-partisan ads.

**Mr. John Yakabuski:** That's your opinion.

**Hon. Glenn Thibeault:** Well, no. They're non-partisan ads. It's very straightforward.

Slips were included in all the ODSP and Ontario Works cheques, and the OEB is requiring LDCs to send out bill inserts in all electricity bills. The government is partnering with social service agencies, food banks, libraries, the Ontario Native Welfare Administrators Association, legal aid offices and senior living centres to ensure that eligible Ontarians are aware of this program. The OEB is requiring that all our electricity utilities include a link on their website to the online OESP application portal.

0940

There's so much more to talk about, so I'll hand it over to the deputy.

**Mr. Serge Imbrogno:** I'll just add to that. This program is rate-based, but it also links income and electricity use. If you just do it through the tax base, you don't have that linkage. So it allows us to provide a higher incentive for households that, for example, have electric heat or are First Nations. That's why you have an application-based

program. It's linked to your income and it's linked to your electricity consumption. If we just did it through the tax system, we wouldn't have that linked to electricity consumption. So it's application-based and it has that linkage.

**Mr. John Yakabuski:** But the last we were able to get figures on—and our office has been tracking—it's six to eight weeks to process the application. Six to eight weeks: That's a month and a half to two months to process an application. You've spent \$9 million on consultants to come up with a program, and now it takes six to eight weeks to process an application? Do you consider six to eight weeks an acceptable length of time to process an application? Is that the way we work in this day and age, where we have access to information very quickly? It's not like we're doing it by snail mail anymore.

**Mr. Serge Imbrogno:** The OEB is working to streamline that process. I think one of the challenges that we have, because it's income-tested—

**Mr. John Yakabuski:** But \$9 million was spent on consultants. Could they not have figured out a program that worked for that money?

**Mr. Serge Imbrogno:** I think one of the challenges we have, because it's income-tested through the Canada Revenue Agency, is that they require a wet signature. We're trying to work with the CRA to see if we can do that electronically. That would speed up the process—

**Mr. John Yakabuski:** So it's income-tested anyhow. Does this not prove my point that, really, what this was all about was another advertising shell game for the government of Ontario? Those ads—you can call them non-partisan if you want. I believe that's your opinion. Other people would have a completely different opinion, and I'm one of them, but I'm not alone. An awful lot of people would share my view that they're not non-partisan at all. Every one of them makes sure that it's very highlighted that it's the government of Ontario—it's not the province of Ontario; it's the government of Ontario that is the kind grandfather or the kind uncle in this case.

When your success rate is so low, and the other thing that—when we've had people come in and talk about Bill 13, the rebate program, we've had deputants by telephone and written—how they all fall just short. The question that the governing members have always asked is, "Have you applied for the OESP?" or the LEAP or whatever, any one of the multitude of programs that the government has. But people still keep falling further and further into energy poverty because they're not working. When people fall just outside of those parameters, there's no answer for them. For \$9 million, you'd think you might have been able to come up with something that actually addressed the challenges and the problems that real people are facing.

You've got 140,000 participants at this point, you say, but we've got 500,000 people who are supposedly eligible and we've got almost 600,000 people in this province who had their hydro cut off last year. They didn't have their hydro cut off because they've got scads

of money sitting in the bank or in a mattress. They got their hydro cut off because they can't afford to pay for it.

So when you've spent \$9 million on consultants, I think one of the key issues—and I hope you don't have that figure and are just not revealing it to me; I hope you're not hiding that from me—because the real measure would be how much money you actually paid out in a program that cost \$12.5 million to implement.

That's the part we know from public accounts. We know that there's obviously a whole lot more. How much money is spent, for example, in constituency offices, helping people with their applications? I know how many people come into our office and use our staff time to assist them through it. We have a lot of people in my riding of Renfrew–Nipissing–Pembroke who do not have a high degree of education, and that correlates with their lower incomes. They struggle to fill out applications. My staff spend time filling out those applications. So in real terms, how much money has been spent in processing those applications on the other end, not just the \$9 million in consultants? The proof of the pudding is in the eating, as they say. We need to know how much actual money was paid out to families under this program.

When we talk about the response time on an application—six to eight weeks—or approval time or whatever we want to term it, did these consultants not, as part of their \$9-million bill, come up with a recommended processing time and say, "Lookit, we've really gotten you a great problem. Thank you for the \$9 million. We're so happy that we're very good friends with the Liberal government, and \$9 million is very pleasing to our partners"? Did they not recommend some kind of a faster processing time than six to eight weeks?

When people are struggling with hydro bills, they don't come into our office and say, "I'm going to run into a bit of a financial wall in a few weeks here, maybe eight weeks." No, they come into our office because they're already at the wall. Six to eight weeks: For some of them, by that time, they're looking at electricity disconnection and reconnection charges, and if they haven't got the money to pay their bill, they don't have the money to pay their reconnection charges.

Did they recommend a processing time? And what about, again, automatic entry for low-income customers? It would have simplified it, gotten to a lot more people a lot more quickly and helped them out in a much more timely fashion.

**Mr. Serge Imbrogno:** I just want to repeat that it is a new program. The OEB is working to try to expedite the application process. We're meeting with stakeholders, and they have ideas for how we can expedite that.

I'll check on the turnaround time. That may have been the early days, and they may have been able to work out some of those initial bugs in the system and turned it around faster.

But I think part of it is that we're also working with the federal government and the revenue agency to say: Is there a way that we can move away from the wet signature and have it more like you do on your taxes, where it's done automatically online?

It's a new program. We're working through some of those things. We want to expedite it, and there are some ideas to try to do that moving forward.

**Mr. John Yakabuski:** Chair, just to make sure that I'm covering all the bases, we have an undertaking from the ministry, the deputy minister, to provide us with the information on those contracts. Is that something I have to do by way of request?

**The Chair (Ms. Cheri DiNovo):** Legislative research is noting all of this.

**Mr. John Yakabuski:** Do I have to make that request for that, or are my questions to the minister sufficient?

**Mr. Ray McLellan:** When a question is not answered to your satisfaction and they've indicated that they will undertake to provide a full—I mark it down, so that's part of the process.

**Mr. John Yakabuski:** So I don't have to make the formal request.

**Mr. Ray McLellan:** No.

**Mr. John Yakabuski:** That will be provided. I just wanted to make that clear.

So we know, then, that you will be providing us with that information with regard to the contracts for those consultants.

**Mr. Serge Imbrogno:** I undertook to talk to the OEB to see what they've made public and to provide that information to you.

**Mr. John Yakabuski:** And what about what they haven't made public?

**The Chair (Ms. Cheri DiNovo):** If I could interject for a second, I just want to remind the member that it is up to the minister as to what is provided.

**Mr. John Yakabuski:** Oh, I understand that, but it's up to me to get it on record as to what I'd like to see provided.

For those things that aren't made public, what undertaking can we have?

**Mr. Serge Imbrogno:** I think I'd report back to the committee and tell you what is available. I think that we can go from there.

**Mr. John Yakabuski:** Okay. How much time do I have left?

**The Chair (Ms. Cheri DiNovo):** About 10 minutes.

**Mr. John Yakabuski:** Do you think—I know you've already answered that, but I need to have these things on the record. Do you think that the \$12 million spent on the OESP, the Ontario Electricity Support Program, was spent wisely? Because as I said, this is in addition to the cost of the program, and I've articulated a few of those costs that, first of all, you have no way of calculating, and that is the human cost in 107 constituency offices. But I think there's probably a way of estimating the cost in human time of every one of those applications where there's been assistance in a constituency office. You want our constituency offices to be part of this process, which we are—mine probably as much as any, because I live in a rural part of the province, a lower-income part of the province, and I happen to be the energy critic, so right off

the bat, more people come to us than come to some other constituency offices.

**0950**

An additional \$12 million is going onto the hydro bills to pay for this. An additional \$12 million is going onto the hydro bills to pay for just the consultants and the advertising program. Consultants and advertising: \$12 million.

In addition to that, as I said to the deputy, every cost involved in the administration of this program, from the top down, which is difficult to calculate—it would be in the millions and millions of dollars. People's time is valuable. When we're serving somebody on a program that you people spent \$12 million designing, it's time that my constituency staff and others are not putting towards other problems that constituents bring through our door.

We have a constituency budget, as you are well aware—it's a global budget—and we can't hire more people. Over the last few years, I could have hired two people just to deal with hydro problems, whether it's the Hydro One billing fiascos and embarrassing ratepayers by taking them to the woodshed, so to speak, and making them feel guilty, and billing numbers that—with a lack of response to the point that we have to have the Ontario Ombudsman look into the problem. We could have had two additional staff in our office dealing with hydro bills. We can't do that because we don't have the budget to do that. We don't have the freedom to hire people beyond what our global budget allows.

When you have a problem in this province—you've only recently recognized it. In fact, Minister, when you were first appointed to cabinet—congratulations—you implied that there wasn't a problem with electricity prices in Ontario. But you have a constituency office too, and I'm sure that in that constituency office you dealt with many constituency complaints with respect to the price of electricity and people's inability to pay their hydro bills.

So when you put all of those things together and you come up with a program that you cite as a success, when you've reached less than a third of the potential candidates for this program, after spending \$9 million on consultants to come up with what should have been a foolproof, perfect program—\$9 million is a lot of money. Would you agree that \$9 million is a lot of money?

**Hon. Glenn Thibeault:** Nine million dollars is a lot of money.

**Mr. John Yakabuski:** Yes—and then \$2.5 million to advertise that. And you still have only a third of the people who are eligible getting a benefit from it. Would you still consider that, here on the 18th of October, 2016, to be a success?

**Hon. Glenn Thibeault:** Some 145,000 families are currently on this program that we have done in 10 months. I would see that as a success. As the deputy started speaking to, with the initial start-up cost to get this program under way—I am very proud of this program. It's something I want us to continue to promote. I'm hoping that we get more and more families on this,

because if there are more families who actually can qualify for this program, then I would like to see them on it.

Deputy, do you have any other comments in relation to that?

**Mr. Serge Imbrogno:** I would just repeat that a large portion of the \$9 million was a one-time start-up cost. Those won't be repeated in the going-forward years.

I think you have to take into account that this is a program that the OEB started—it was all competitively procured, so the cost of the consultants, the cost of the system, were the lowest costs that we could come up with, and a lot of that was one-time start-up costs. The going-forward costs will be less to administer.

It is part of getting the information out to low-income families that you have to put that money into the advertising and into social agencies to help them when people come in and they need the support.

I think, as a ministry, we're very proud of this program. We're proud of the fact that we got it up and running when we said we would. We have everything linked to the CRA within the ministry and across the government. I think, from our perspective, it is a program that we are proud of.

**Mr. John Yakabuski:** You said it was all competitively procured. Were you part of that process?

**Mr. Serge Imbrogno:** No, that was the OEB. The OEB follows an open competitive procurement process.

**Mr. John Yakabuski:** So the names of those firms would already be public?

**Mr. Serge Imbrogno:** I would think it's usually public accounts—

**Mr. John Yakabuski:** Are you aware of the names of those firms, that you could actually tell me them today? Do you know the names of the firms?

**Mr. Serge Imbrogno:** Yes. The firm that won the contract is ICF. It actually won the contract to administer the system, to start up the system. I think IBM was also procured initially to help the OEB with the specs to contract with a firm like ICF.

**Mr. John Yakabuski:** But ICF is administering it.

**Mr. Serge Imbrogno:** They're the ones that set up the actual software to get the program up and running.

**Mr. John Yakabuski:** So how much of that \$9 million went to those two firms?

**Mr. Serge Imbrogno:** That's what I don't know.

**Mr. John Yakabuski:** You don't? So how many firms were involved?

**Mr. Serge Imbrogno:** From what I know, there was IBM, which started to provide the OEB with advice on how to set up the system, how to set up the procurement contract. Then there was the bid that went out, and ICF was the winning bidder.

Part of why ICF won is that they had a similar system in the United States, I think in the Detroit area. So they were able to take that and apply it to Ontario, and I think that's one of the reasons why we got a very low start-up cost on the program.

**The Chair (Ms. Cheri DiNovo):** Mr. Yakabuski, you have about two minutes left.

**Mr. John Yakabuski:** Oh, okay. I'm going to turn this over to my colleague Mr. Smith.

**Mr. Todd Smith:** How do you reconcile the fact that the Ontario Clean Energy Benefit was cancelled on the first of the year, that that was no longer something that was necessary, the 10% savings, and now, suddenly, months later, what was the cataclysmic event that occurred where suddenly there wasn't a crisis in electricity in Ontario any longer, but then suddenly there was a crisis where you had to remove the provincial portion of the HST off hydro bills, when previous ministers had made the decision to remove the clean energy benefit?

**Hon. Glenn Thibeault:** I know I only have two minutes, so I'll try and speak quickly. The government has always been looking at ways to try and find opportunities to mitigate downward pressure on rates. The Samsung agreement, renegotiating that, was \$3.7 billion in savings. There are many other programs that were put in place.

When the one program that you're speaking of ended, we also eliminated the debt retirement charge. So we've been doing many things as a government to continue to have downward pressure on rates.

When I took over as minister, part of my mandate letter, and what the Premier was talking to me about, was trying to find ways that we could help families that were having a difficult time with some energy rates. For me, talking with constituents, talking with people across the province, talking with stakeholders and looking at some of the options and the levers that we had within my disposal, this was an opportunity for us to bring that forward.

**Mr. Todd Smith:** But how do you reconcile, though, the clean energy benefit coming off—or putting it back on, I guess—and then removing the 8% portion of the HST? How do you reconcile that?

**Hon. Glenn Thibeault:** In relation to the—

**The Chair (Ms. Cheri DiNovo):** Mr. Smith and Minister, the time is up now. We now move to the third party: Mr. Tabuns.

**Mr. Peter Tabuns:** Minister, I have limited time, so I'll touch on a few issues and I'll enlarge on other themes when we come back to our full hearing.

You announced the cancellation of Large Renewable Procurement and said it would save the average ratepayer about \$2.45 per month. Can you tell us when that savings would be in effect?

**Hon. Glenn Thibeault:** In relation to the LRP II, that would have been a future cost that would have been on the bills of consumers. By suspending the LRP II, we're not putting that cost onto the ratepayers.

For further explanation, I know that the deputy can talk about that in detail.

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**Mr. Peter Tabuns:** That's good, but I'll just go back. When is that \$2.45 effective? Is that effective January 1 next year? Is it effective January 1, 2020? TVO had reported 2032. Which—

**Hon. Glenn Thibeault:** In part of the 2013 long-term energy plan, which is where the costs were based off of,

it gets technical, hence asking the deputy to answer the question specifically for you.

**Mr. Serge Imbrogno:** If the LRP II process would have continued, you would have had the RFP round. There would have been qualified bidders. They would have put a bid in. They would have been selected. So that process would have taken a couple of years, and then you would actually have to build the project. In the 2018-19 range, you would have expected the facilities to have been built, and at that point the charge would have appeared on the bill.

**Mr. Peter Tabuns:** So in what year would that so-called savings have been effective?

**Mr. Serge Imbrogno:** Not an exact year, but in the 2018-19 time frame. We can give you that exact number if you're looking for it relatively to what we assumed in the long-term energy plan.

**Mr. Peter Tabuns:** So are we saying that—you would issue the RFPs. There would be a process of people searching for sites. There would be construction. Are we talking seven years from now that that—

**Mr. Serge Imbrogno:** I wouldn't say it was seven years. I'd say in the three-year range.

**Mr. Peter Tabuns:** That's very fast build-out, don't you think?

**Mr. Serge Imbrogno:** Well, it's qualified candidates. They go through that process.

**Mr. Peter Tabuns:** So you're saying 2020, then?

**Mr. Serge Imbrogno:** In that range. I'd prefer to get you that exact number, but I think that would be the process that—

**Mr. Peter Tabuns:** I would be very happy if legislative research would note that you've made an undertaking to give us the exact number. I appreciate that.

**Mr. Serge Imbrogno:** The year. It's probably going to be a range. It won't be exact.

**Mr. Peter Tabuns:** I'm happy to take a range.

**Mr. Serge Imbrogno:** I'll get back to you with a range.

**Mr. Peter Tabuns:** So that isn't a reduction in our hydro bills as of January 1, 2017; that's a reduction from the projections that you'd set up previously?

**Mr. Serge Imbrogno:** That's correct.

**Mr. Peter Tabuns:** Okay. In doing your calculations, what was the average cost per kilowatt hour for the power that would have been produced from wind or solar producers? You know how much it comes out to. You know how much would have been on a bill. What would the cost of the power have been?

**Mr. Serge Imbrogno:** In our 2013 long-term energy plan, we would have made all those assumptions public in the modules that are part of the 2013 LTERP. Those would have been the costs that would have been embedded, and those would have been the savings that are provided from not proceeding.

**Mr. Peter Tabuns:** So the savings are based on the calculations made in 2013. As I understand it, the cost of wind power has dropped substantially since then, and, by 2020, would be even cheaper. So the \$2.45 is not based

on the current cost of wind per kilowatt hour; it's based on the 2013 number. Is that correct?

**Mr. Serge Imbrogno:** There would have been an assumption in the 2013 LTEP of price digression, so that would have been built into that assumption.

**Mr. Peter Tabuns:** And did that price digression reflect your actual experience?

**Mr. Serge Imbrogno:** Since it's a competitive process, it's hard to say in two or three years what the actual costs would have been. For whatever reason, it could be higher or lower, but it's all based on what we projected in the 2013 LTEP, and that included assumptions on digression of prices going forward, both solar and wind.

**Mr. Peter Tabuns:** Can you tell us what the number would have been from the 2013 projections?

**Mr. Serge Imbrogno:** That's in the modules that are part of the long-term energy plan. So there are some modules—

**Mr. Peter Tabuns:** Can I ask you to actually pull that number out for us?

**Mr. Serge Imbrogno:** I can refer you to the modules and tell you what tables they're in, if that would be helpful.

**Mr. Peter Tabuns:** Well, if you would do that, and if you would also tell us what the difference is between the projections and the most recent actual experience with renewable project pricing coming in with this competitive bidding, I'm assuming that competitive bidding is giving you prices lower than you were projecting in 2013.

**Mr. Serge Imbrogno:** The LRP information is out there as well. That's publicly available.

**Mr. Peter Tabuns:** So you will be providing me with the tables that will show me the projected prices that you're basing this \$2.45 savings on; is that correct?

**Mr. Serge Imbrogno:** I'm going to give you a reference to where you can find the information and the LTERP modules, which are in the public domain.

**Mr. Peter Tabuns:** And if I can't find those modules, I'm sure you'll be helpful and give me a copy of them.

**Mr. Serge Imbrogno:** I'm sure we'll be able to help you find those.

**Mr. Peter Tabuns:** Good. The second question: The Ontario power outlook says that we face flat demand for the next decade. Actually I have a variety of scenarios, but one of those is flat demand. It also says that 1,200 megawatts of non-utility generation—NUG—capacity is coming up for contract expiry between now and 2018. Are you renewing those NUGs as the contracts expire? I'm happy with either of you answering. I'd just like an answer.

**Mr. Serge Imbrogno:** No, there's no intention for us to renew those contracts.

**Mr. Peter Tabuns:** So that's about 1,200 megawatts of power?

**Mr. Serge Imbrogno:** Yes, I think the table on page 11 gives you the gas-fired generators that are expiring contracts.

**Mr. Peter Tabuns:** That's page 11 of the Ontario Planning Outlook?

**Mr. Serge Imbrogno:** Yes, for 2021-29. I guess that's about seven megawatts of capacity—or seven gigawatts. Seven thousand megawatts.

**Mr. Peter Tabuns:** Seven thousand megawatts of capacity?

**Mr. Serge Imbrogno:** Yes, seven gigawatts, and then there are additional contracts expiring in 2030-35. Some of those are NUGs; some of those are the clean energy supply contracts.

**Mr. Peter Tabuns:** What about contracts that are expiring over the next three years?

**Mr. Serge Imbrogno:** Well, the 2016-20—that number is there. It appears to be less than one megawatt.

**Mr. Peter Tabuns:** Less than one megawatt?

**Mr. Serge Imbrogno:** One thousand megawatts. One gigawatt here.

**Mr. Peter Tabuns:** Okay, so one gigawatt is expiring?

**Mr. Serge Imbrogno:** In 2016-20, it's expiring, and then the bulk of it is in the 2021-29 time frame.

**Mr. Peter Tabuns:** Okay. And you're not renewing any of those?

**Mr. Serge Imbrogno:** There's no direction from the minister to the IESO to renew them, so there's—

**Mr. Peter Tabuns:** So that means automatically they would not be renewed. Is that correct?

**Mr. Serge Imbrogno:** They would not be renewed but they could be part of the market if they want to bid in at whatever the market price is, if they can be economic.

**Mr. Peter Tabuns:** So if they can bid in at two cents or three cents a kilowatt—

**Mr. Serge Imbrogno:** They could be a market participant and participate that way.

**Mr. Peter Tabuns:** Do you expect any of them to bid in at those prices?

**Mr. Serge Imbrogno:** Well, it's a fairly low price. You have to cover your variable cost.

**Mr. Peter Tabuns:** So you're not renewing those contracts; is that correct?

**Mr. Serge Imbrogno:** There is no directive from the minister to the IESO to renew those contracts.

**Mr. Peter Tabuns:** And, Minister, are you expecting to issue a directive?

**Hon. Glenn Thibeault:** One of the things I'm relying on right now is the long-term energy plan. The consultations have started. We launched them last week. The first consultation will be next week in Toronto, then we go into Sudbury and other northern communities. The importance of the long-term energy plan is to hear from stakeholders to talk about what our energy needs are going to be for the next decade—

**Mr. Peter Tabuns:** I appreciate all that. Are you currently planning to renew any of those contracts? Are you planning to issue a directive?

**Hon. Glenn Thibeault:** For me, right now, it's looking at what the long-term energy plan is going to do before I would move on any of that. Since it's a long time away—what, we're talking in 2021-29?

**Mr. Peter Tabuns:** Actually, no, 2016-20, so this year and over the next three years.

**Hon. Glenn Thibeault:** On the 1,000 megawatts? I apologize. I thought you were talking about the 2021-29.

**Mr. Peter Tabuns:** No, I'm talking about today and tomorrow.

**Hon. Glenn Thibeault:** Still, again, I'm not looking at doing anything in relation to those contracts, as it stands at the moment. I'm looking forward to working with the IESO on all matters relating to contracts because the IESO is the organization that sets those contracts and signs those contracts.

**Mr. Peter Tabuns:** So you've cancelled the LRP II because we have excess capacity, and on the same basis you're not renewing these contracts. Is that correct?

**Hon. Glenn Thibeault:** The LRP II suspension was in relation to the adequate supply of power that we have, and from what they outlined to me in the OPO and the conversations that I had with the IESO, there was no need for that power, currently.

**Mr. Peter Tabuns:** And so there's no need for these NUGs either. You aren't going to buy new gas power in place of the wind power that we could have had?

**Hon. Glenn Thibeault:** One of the things that I'm looking at and one of the things that I have conversations with the IESO about is what our current needs are. The LRP II contracts, as the deputy minister answered to you earlier—we're looking at three or four years before that would be in place. For me, when we're coming and talking about the NUGs, the current supply that we have is what we need in relation to that.

**Mr. Peter Tabuns:** So you don't need these NUGs and you're not renewing contracts?

**Hon. Glenn Thibeault:** That's not what I said. I said I need to continue to work with the IESO to listen to their advice because they're the system operator.

**Mr. Peter Tabuns:** And so what are they advising you?

**Hon. Glenn Thibeault:** We haven't had that conversation around the NUGs just yet.

**Mr. Peter Tabuns:** Are they renewing NUG contracts without your permission or are they letting them expire and letting them fold?

**Hon. Glenn Thibeault:** Well, I'm having a conversation, as I said, with the IESO to talk about this. We'll continue to look at each opportunity to save ratepayers money as best we can.

**The Chair (Ms. Cheri DiNovo):** Mr. Tabuns, you have about three minutes.

**Mr. Peter Tabuns:** Let's be very clear. We have a climate crisis. We have these NUG contracts expiring. They burn gas. You've decided you don't need renewables. Are you going to make sure that you're not going to be renewing these gas-fired contracts in a situation where we're supposed to be reducing our greenhouse gas emissions? What are you going to do?

**Hon. Glenn Thibeault:** The important thing for us is to recognize that we've already got 18,000 megawatts of renewable online. We recognize that we're in a climate crisis, because we've already shut down coal. We're leading North America when it comes to clean energy.

When it comes to the contracts, I'm having conversations with the IESO about the importance of every contract. But to say that I'm going to act on something without even having a clear conversation with the IESO—I don't make assumptions; I base it on fact. The IESO is going to provide me with facts, just like the deputy minister is providing the committee with facts.

**Mr. Peter Tabuns:** So for now you're not ruling out continuing these gas-fired contracts in the midst of a climate crisis?

**Hon. Glenn Thibeault:** I'm not ruling out anything in terms of renewables and in terms of any of the existing system that we currently have.

**Mr. Peter Tabuns:** Well, that's very clear.

What is the average price per kilowatt hour that's being charged by these NUGs?

**Hon. Glenn Thibeault:** Deputy?

**Mr. Serge Imbrogno:** I don't have that information handy. I think—

**Mr. Peter Tabuns:** Can you provide us with that information? Will you take an undertaking to that effect?

**Mr. Serge Imbrogno:** To the extent that it's in the public domain, I'll undertake that undertaking.

**Mr. Peter Tabuns:** Is it in the public domain?

**Mr. Serge Imbrogno:** Well, the OEFC may publish the information because a lot of the NUG contracts are held by the OEFC. The OEFC probably has an aggregate number that they provide. They don't give you the contract-by-contract—

**Mr. Peter Tabuns:** I don't care about contract-by-contract. I want to know the aggregate. That would be fine.

**Mr. Serge Imbrogno:** I think the aggregate is available because they recover that through the rate base. That information is there.

**Mr. Peter Tabuns:** If you could provide us with the cost per kilowatt hour, that would be great.

**Mr. Serge Imbrogno:** I'll provide you with whatever cost the OEFC publishes in its annual report.

**Mr. Peter Tabuns:** Do you think you could provide that by tomorrow?

**Mr. Serge Imbrogno:** As soon as I get out of this committee, I will ask my staff to find that information.

**Mr. Peter Tabuns:** Excellent. It is comforting to know that. Thank you.

How much time do I have left?

**The Chair (Ms. Cheri DiNovo):** You have 30 seconds or so.

**Mr. Peter Tabuns:** Darn.

The Toronto Hydro sell-off—why do we have a tax on the sale of local distribution companies? Do you know why there's a tax on the sale?

**Mr. Serge Imbrogno:** There are a number of taxes involved. Right now, the municipality—the LDC—pays payments in lieu of tax. They're a commercial company. There's also—

**Mr. Peter Tabuns:** But at the time of sale, there's that 33% tax that we've talked about in the past.

**Mr. Serge Imbrogno:** Yes, there are a couple of taxes. There's a transfer tax and a departure tax.

**Mr. Peter Tabuns:** And what's their function?

**The Chair (Ms. Cheri DiNovo):** I'm afraid that time is up, Mr. Tabuns.

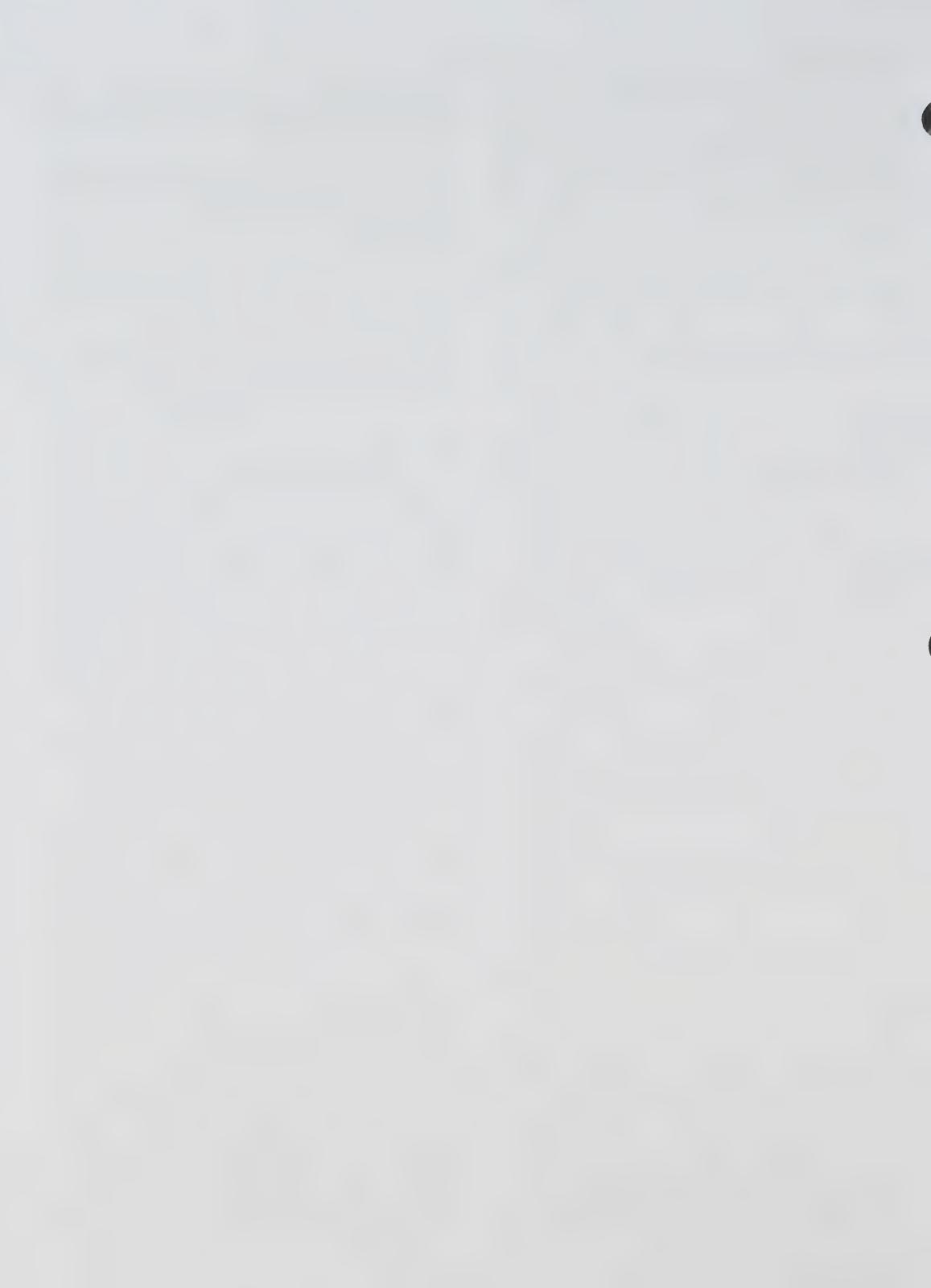
We'll take a moment to take care of some housekeeping. We're moving on now from vote 2901 to address the fact that I believe we have consent to adjourn this committee until tomorrow at 3:45. We will not be meeting

this afternoon and we will ask the Clerk to cancel this p.m.'s meeting. Is that agreed?

*Interjections.*

**The Chair (Ms. Cheri DiNovo):** Okay. This committee stands adjourned until tomorrow at 3:45. Thank you.

*The committee adjourned at 1014.*





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**Standing Committee on  
Estimates**

Ministry of Energy

**Comité permanent des  
budgets des dépenses**

Ministère de l'Énergie

Chair: Cheri DiNovo  
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## **CONTENTS**

Wednesday 19 October 2016

Ministry of Energy .....	E-111
Hon. Glenn Thibeault	
Mr. Serge Imbrogno	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 19 October 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 19 octobre 2016

*The committee met at 1602 in room 151.*

## MINISTRY OF ENERGY

**The Chair (Ms. Cheri DiNovo):** Good afternoon. We are now going to resume consideration of vote 2901 of the estimates of the Ministry of Energy. There is a total of six hours and 17 minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from yesterday's meeting that the minister has responses to, perhaps the information can be distributed by the Clerk. Are there any items, Minister? Not yet?

**Hon. Glenn Thibeault:** Not just yet.

**The Chair (Ms. Cheri DiNovo):** Okay. When the committee last adjourned, the third party had 16 minutes left in their round of questions. Afterwards, the minister will have 30 minutes for a right of reply. Mr. Tabuns—oh, sorry. Yes?

**Hon. Glenn Thibeault:** My apologies, Chair. The deputy minister does have some information.

**Mr. Serge Imbrogno:** I think I said to Mr. Tabuns that I would provide him with publicly available information related to the NUGs. I have what's available through the IESO. It gives you the information by month of what is paid to the OEFC NUG contracts. I can provide that to the Clerk. This is what's publicly available. They don't provide a per-kilowatt number; they just provide a total.

**The Chair (Ms. Cheri DiNovo):** Thank you, Deputy. If you could give those to the Clerk, he'll distribute them.

**Mr. John Yakabuski:** Have we started?

**The Chair (Ms. Cheri DiNovo):** Yes.

Mr. Tabuns, the floor is yours.

**Mr. John Yakabuski:** It's not until after petitions.

**The Chair (Ms. Cheri DiNovo):** Petitions are over.

**Mr. John Yakabuski:** Oh, just. We're just starting.

**The Chair (Ms. Cheri DiNovo):** Okay. Mr. Tabuns? The floor is yours.

**Mr. Peter Tabuns:** Minister, I'm going to go to the Ontario Electricity Financial Corp. On its balance sheet, the OEFC claims about \$3.4 billion in cash and cash equivalents. I don't know if you have a copy of their statement. I'll give you one.

So the cash-flow statements clarify the \$3.4 billion—this is on pages 1 to 3—is indeed not cash, but equivalent to cash. The money that was supposed to be paid to the

OEFC in actual cash has become a cash equivalent. Why is that?

**Hon. Glenn Thibeault:** I'm going to hand that over to the deputy.

**Mr. Serge Imbrogno:** Mr. Tabuns, the OEFC is an agency of the Ministry of Finance. I think those questions would properly be directed to the Ministry of Finance. We're not the experts on the OEFC accounting.

**Mr. Peter Tabuns:** So you don't have anything to do with the OEFC?

**Mr. Serge Imbrogno:** Well, for full disclosure, I am on the OEFC board, but—

**Mr. Peter Tabuns:** Oh, well, how handy. How fortunate.

**Mr. Serge Imbrogno:** But having said that, I think OEFC or Ministry of Finance staff would be better able to answer those questions related to the assets, the liabilities and the revenue flows. I don't know if that has been changed in previous years, but I think it's better directed at the OEFC.

**Mr. Peter Tabuns:** Can we have someone from the OEFC brought here to speak to this matter?

**Mr. Serge Imbrogno:** I don't know what the protocols are for someone to come in from a different ministry to speak to items.

**Mr. Peter Tabuns:** I'll ask the Chair and the Clerk.

**The Chair (Ms. Cheri DiNovo):** Sorry?

**Mr. Peter Tabuns:** The minister and the deputy minister say they can't speak to the Ontario Electricity Financial Corp.—which has a huge amount to do with your ministry. You're selling off Hydro One, apparently to pay down debt. You collect money, a debt recovery charge. This is supposed to be dealing with debt that is raised through the electricity sector. I think it's reasonable to ask questions about the OEFC in this context.

**The Chair (Ms. Cheri DiNovo):** Really, it's up to the minister or the deputy to respond as they see fit. We have no power to compel them to respond on issues that they don't want to respond on.

**Mr. Peter Tabuns:** Well, I'm happy to stand it down if you're not in a position to answer questions right now, but I would—

*Interruption.*

**Mr. Peter Tabuns:** Was that an editorial comment?

**Mr. John Yakabuski:** Apparently they didn't pay the bill.

**Mr. Peter Tabuns:** No, I think it's just a darkening as I ask these probing questions, Yak.

I would like you to check with finance, because I think this bears directly on the Ministry of Energy. You are raising money, apparently, with the Hydro One sale, to pay off debt. Apparently, you're not paying off debt. If you're not paying off debt, how do you justify the amount of money you're collecting from the sale? And I will go into infrastructure in a second round of questions. If you're not raising money that gets paid to infrastructure, why are you selling off Hydro One?

**Mr. Serge Imbrogno:** Mr. Tabuns, I'm not comfortable speaking to that specific item, but I can say that the money collected from Hydro One—a portion of that is going to pay down debt. I think we calculated about \$150 million each year would be reduced by the money coming in from the sale of Hydro One.

**Mr. Peter Tabuns:** Sorry, did you say \$150 million a year?

**Mr. Serge Imbrogno:** In interest, in interest savings.

**Mr. Peter Tabuns:** But you're not actually paying down the debt; you're just parking a cash equivalent in their balance sheet. It's not being used to pay down debt.

**Mr. Serge Imbrogno:** Well, I think finance would—in total, not just through the OEFC, but through the provincial government borrowing—incurred \$150 million less in borrowing costs given the sale of Hydro One. So whether it's reflected in the OEFC accounts or the provincial accounts—

**Ms. Sophie Kiwala:** Point of order.

**The Chair (Ms. Cheri DiNovo):** Yes, Ms. Kiwala, point of order?

**Ms. Sophie Kiwala:** I think we need to be sure that this item has a specific reference to energy and the estimates, and going to finance is a matter for finance, not for energy. I think that it's—

**The Chair (Ms. Cheri DiNovo):** That's not a point of order, but duly noted. Thank you.

Back to—sorry, the deputy was speaking.

**Mr. Serge Imbrogno:** That's why I think it's important to ask finance the questions, because you have the OEFC, you have a consolidation, you have the provincial accounts. So I think it's better addressed by finance.

**Mr. Peter Tabuns:** If you're collecting money to pay down the electricity debt and you're not paying down the electricity debt—you're collecting a debt retirement charge from ratepayers. What's the basis for you collecting that money if you're not actually using it to pay down the electricity debt? That's what shows up on the OEFC spreadsheet or balance sheet, because it's supposed to be reducing the hydro debt, correct?

**Mr. Serge Imbrogno:** The Ministry of Finance in the budget reports on the reduction of the stranded debt and the residual stranded debt. Those numbers are publicly available.

**Mr. Peter Tabuns:** Yes, I can see them in front of me.

**Mr. Serge Imbrogno:** Each year, the residual stranded debt has been coming down. So there is a difference between the total debt and the residual stranded debt.

Once again, that's why I think it's a question better asked of finance in how the accounting works.

1610

**Mr. Peter Tabuns:** Well, I will hold this down and I will check further from my end, but I will say this: When you look at the Ontario Electricity Financial Corp., it's supposed to be receiving money from the Hydro One sale to reduce the electricity debt. I can tell you right now, you're not reducing the electricity debt. So any blather that the sell-off of Hydro One is being used to reduce the electricity debt is not supported by your financial documents.

If you're not in a position to defend that—and I want to think about that, and I may well challenge you at a later point—then I think a question should be asked of the Premier: "You're saying that you're selling this asset to pay down debt, and you're not paying down debt. What's going on here?"

Anyway, you've said that you can't speak to this; I may come back to you with another approach on that, but you're saying you can't speak to the OEFC at this point.

Can you speak to the fact that the money that is supposed to be raised for infrastructure is not being spent on infrastructure?

**Mr. Serge Imbrogno:** I think that the government has put the money they said that they would into the Trillium Trust and that money will be used for infrastructure. It's set aside and directed. I think that reg has been made and has passed, so \$3.2 billion is in the Trillium Trust to be invested in priority infrastructure.

**The Chair (Ms. Cheri DiNovo):** Excuse me, Deputy Minister, if you could, speak a little closer to the microphone when you speak.

**Mr. Serge Imbrogno:** Oh, sorry. I was just saying that the \$3.2 billion has been dedicated to the Trillium Trust. The regulation is in place, and that money will be used to invest in priority infrastructure.

**Mr. Peter Tabuns:** Are you in a position to speak to the actual expenditure of funds on infrastructure?

**Mr. Serge Imbrogno:** No. Again, that would be either the Ministry of Infrastructure or the Ministry of Finance—

**Mr. Peter Tabuns:** Okay. Then I may well come back on that because, as far as I can tell, that's not happening either. So you're not using it to pay down debt, and you're not using it to pay for infrastructure. You've already said you're not qualified to speak to it; it's another ministry. But I'll tell you, if you look at the books, one has to ask very substantial questions as to where the money is going, because it isn't paying down debt and it's not going to infrastructure. However, you've said that you can't speak to that. I may well come back with further questions on it.

Let's go to the refurbishment of the Bruce nuclear reactors. When the Bruce refurbishment deal was announced last December, the government said that rate-

payers were guaranteed a fixed price for the refurbishments, with the contractors paying for any cost overruns. The price mentioned was 7.7 cents per kilowatt hour for the next half century or so. But I'm not sure this is exactly true. If estimated construction costs increase up until a certain date before construction starts, ratepayers are apparently going to pay more. Can you confirm that or do you dispute it?

**Hon. Glenn Thibeault:** Can you clarify? Can you read that one time again for me, MPP Tabuns?

**Mr. Peter Tabuns:** Yes. The government has said that ratepayers were guaranteed a fixed price for the refurbishments at Bruce nuclear, with the contractors paying for any cost overruns. The price that we've been told has been 7.7 cents per kilowatt hour. If estimated construction costs increase up until a certain date before construction starts, ratepayers will apparently pay more. Can you confirm that or do you say that that is not in fact the case, that the price is frozen?

**Mr. Serge Imbrogno:** I think there are a lot of parts to that contract, Mr. Tabuns, that you would have to take into account as you approach the refurbishment. There are avenues for the government to dispute any additional costs that may be added on that weren't part of the original estimate. There is the ability to take off-ramps if those costs exceed a certain threshold. So there is control in place to ensure that we come in at the projected costs. I wouldn't call it a guarantee of the 7.7. I think there are contracts—

**Mr. Peter Tabuns:** So that's not a fixed price, 7.7 cents a kilowatt hour?

**Mr. Serge Imbrogno:** Once you hit that milestone, that price becomes fixed at that point. Between now and that point in time, there are potential adjustments that take place; however, those are subject to oversight and review by the IESO. That's how the contract was built.

**Mr. Peter Tabuns:** So what's the threshold. If it goes over 7.7 cents, when do you say, "No, we're not accepting that"? What's the threshold?

**Mr. Serge Imbrogno:** It's a pretty long and complicated contract. I don't want to give you a high-level answer, because I think we'd have to give you the contract terms. The contract is on the IESO website for full disclosure. I'd rather maybe refer to those contract provisions rather than try to give you a high-level answer at this point.

**The Chair (Ms. Cheri DiNovo):** Mr. Tabuns, you have about four minutes left.

**Mr. Peter Tabuns:** Thank you.

The threshold is embodied in the contract posted on the IESO website?

**Mr. Serge Imbrogno:** I think how the adjustment works at the threshold, and what the mechanisms are, would be in that contract.

**Mr. Peter Tabuns:** Is there a point at which the provincial government would not proceed with the contract?

**Mr. Serge Imbrogno:** There's a point where the IESO has the ability to fix that price at a certain amount, if it's above a certain threshold, and there are off-ramps built into the contract.

**Mr. Peter Tabuns:** What's the price at which that kicks in?

**Mr. Serge Imbrogno:** I don't know the contract terms off the top of my head, but it is in the contract, and the contract is on the IESO website.

**Mr. Peter Tabuns:** Can we be provided with that?

**Mr. Serge Imbrogno:** The contract on the IESO website?

**Mr. Peter Tabuns:** You're familiar with the terms that we're talking about, and you know where to find it in the contract. Can you undertake to provide that?

**Mr. Serge Imbrogno:** I can undertake to provide you the link to the IESO website where you can find the contract.

**Mr. Peter Tabuns:** You can't cite the section within the contract that one would focus on?

*Interjection.*

**Mr. Peter Tabuns:** Yes, I take the hand gesture from the minister to be indicative of the scale of the contract. It would save me and my colleagues a lot of time if you could point out where in that voluminous document one would find the relevant sections.

**Mr. Serge Imbrogno:** I would suggest that my undertaking would be to provide you with the contract, and then we can have a further discussion. It is on the IESO website. I think that was the point.

**Mr. Peter Tabuns:** It would be so much appreciated, Deputy Minister, if you'd point out where in the contract the significant and relevant sections are—so much appreciated, so helpful.

**Hon. Glenn Thibeault:** I think the deputy minister has stated to my colleague that we'll endeavour to make sure that we can get that link for them. That's something that we'll endeavour to do.

**Mr. Peter Tabuns:** I'm sure that Bruce Power knows what the threshold is, where things can change. I'm sure that you know what the threshold is. In this case, you'll refer me to the contract, but you won't be stating the threshold?

**Mr. Serge Imbrogno:** I recall, Mr. Tabuns, you were part of that briefing where we had Bruce Power and the IESO walk you through the contract. There was a presentation. There was background information provided. We can provide you with that again. I would expect that there are contract terms in there, or reference to them.

**Mr. Peter Tabuns:** Okay. I would appreciate that again, then.

The Bruce agreement includes off-ramps that allow the IESO and the government of Ontario to walk away from the contract. Are these off-ramps, in substance, the same as they are with the Darlington plant?

**Hon. Glenn Thibeault:** From my understanding, for the Darlington, which is OPG, after the first unit—which is unit 2, that is now currently off-line and being refurbished—it comes back to cabinet for the second round, for the next unit that would be completed. With the Bruce Power, there are specific on-ramps.

Deputy, maybe you can explain that in better detail.

**Mr. Serge Imbrogno:** I think the additional off-ramps that are available for the Bruce contract are what I would call economic off-ramps. There are certain points in the refurbishment schedule where, if there are other alternatives that are lower-cost than the Bruce option, then the IESO can determine that it's better not to proceed with the units that have not been refurbished yet. The contract would continue with the units that have either been refurbished or that are still running. It just gives the IESO the ability to say, "We're not going to proceed with the following unit's refurbishment."

**Mr. Peter Tabuns:** So the IESO is in a position, should alternatives present themselves, to say, "Okay. You've got one refurbishment under way. We won't go to the second, because we have a better deal elsewhere." Is that what you're saying to me?

**Mr. Serge Imbrogno:** There are two economic off-ramps, and they're set as specific times. I don't want to say it's after the first unit; it could be after the second. We can check in the contract. But at that point, if the IESO says there are alternatives that are more economic than what's in the Bruce contract, then they have that ability to not proceed with the additional refurbishments.

1620

**Mr. Peter Tabuns:** And are there off-ramps before the first of the refurbishments starts?

**Ms. Cheri DiNovo:** I'm afraid that question will have to be left hanging. We've come to the end of our time.

Minister, it's now back to you for a 30-minute right of reply.

**Mr. John Yakabuski:** Another 30 minutes? Holy smokes. I'll just check out the score of the ball game here.

**Hon. Glenn Thibeault:** John, I know you're going to enjoy it.

Anyway, thank you, Chair. I do want to thank my colleagues for the questions and the starting of this. It is pretty exciting for me, being the new minister, to be able to be part of this process and be part of estimates. I also appreciate the chance to expand on the work Ontario's government is doing to support businesses, secure a long-term supply of emissions-free power and maximize the value of our assets.

To begin, let me be clear that the government also offers a wide variety of programs that help businesses compete and ensure our rates are affordable. I know some of those were in the questions that we were asked over the first duration of committee. Let me start by talking and giving an example. The Industrial Conservation Initiative, or ICI, as we call it, encourages eligible electricity consumers to shift consumption to off-peak hours to save on costs. By reducing demand during peak hours, current participants save about 25%, on average, on their electricity bills.

Currently, eligible ICI participants, including those consumers with monthly peak demand exceeding three megawatts are subject to eligibility requirements, so under ICI, these consumers are charged global adjustment on the basis of their share of the total system

demand during the highest five peak hours of the year. There are now about 300 participating consumers who collectively reduced Ontario's peak demand by an estimated 1,000 megawatts in 2015, so Ontario is proposing to expand the ICI program to include more than 1,000 newly eligible customers with monthly peak demand greater than one megawatt, down from the current threshold of three megawatts. In addition, sector restrictions would be removed and smaller institutional and commercial businesses would be eligible to participate.

Expanding participation in the ICI program would reduce cost pressures on the electricity system by empowering more consumers to lower their electricity demand during peak periods and reduce electricity bills for new ICI participants who are able to reduce their electricity demand during peak demand periods. Newly eligible customers would have the opportunity to opt in to the ICI program.

Since July 2015, the expanded program includes eligible customers with a monthly peak demand greater than three megawatts, down from the prior threshold of five megawatts, whose primary business is manufacturing, mining, refrigerated warehousing, greenhouses and data processing. Through this expansion, eligible consumers who participate in this initiative are able to reduce their electricity costs through reduced demand during peak hours.

The Northern Industrial Electricity Rate Program supports continued growth and development in the northern resource and manufacturing sector. The \$120-million per year program provides electricity price rebates of two cents per kilowatt hour, representing an over 20% reduction in electricity prices for eligible large, northern industrial consumers.

The saveONenergy business program, which provides incentives and rebates to distribution-connected industrial consumers, as well as Ontario's Five-Point Small Business Energy Savings Plan, which is helping small businesses conserve energy, manage costs and save money—the plan is promoting the use of local energy managers who can perform assessments and help businesses develop and carry out energy efficiency and conservation.

Marketing business conservation programs ensure small business owners have access to the necessary information about government programs to help them save. It's also enhancing business conservation programs with increased rebates, more contractor engagement, training and a simplified application process to make it easier and faster for small businesses to participate, as well as working to make on-bill financing available to help with the upfront costs of energy conservation projects, as mentioned earlier, providing long-term stable funding for conservation initiatives through the 2015 through to 2020 electricity Conservation First Framework and the natural gas Demand Side Management Framework.

Chair, we've always believed that we've stood up for consumers and remain committed to putting consumers first. At this point, I'd like to take a look at the clean

energy sector and reliability. My ministry is responsible for setting the legislative and policy framework to assure a clean, reliable and affordable energy system for all Ontarians. The beauty of Ontario's energy system is that we rely on a variety of generation sources, using the right source in the right way at the right time.

The workhorse of our system has been nuclear power, which has been reliable, clean, cost-effective and a key contributor to Ontario's technology development and job creation. As global attention is continually on reducing greenhouse gas emissions in fighting climate change, we are committed to a future built on the foundation of Ontario's single largest source of emissions-free electricity, which is nuclear. As we recognize the link between economic prosperity and environmental responsibility, our government is committed to domestic energy, local jobs and investment, in one of our most export-ready clean tech industries. As our economy continues to expand and grow, and as innovations in electric cars and electrified regional public transit mean we are ever more dependent on the stability of our nuclear energy system, we are committing to a cost-effective, clean, robust power generation supply. Today, nuclear power represents more than 50% of Ontario's supply, making it the backbone of Ontario's low-emissions electricity system, and a key player in our clean energy economy.

Over the next 15 years, Ontario's nuclear fleet at both Darlington and Bruce will see a number of units reaching the end of their life cycle and in need of refurbishment. Ontario's nuclear fleet is our largest source of reliable, affordable, around-the-clock power. Keeping all of this in mind, in Ontario's 2013 long-term energy plan, we committed to refurbishing 10 nuclear units at the Darlington and Bruce generating stations. These nuclear refurbishments will continue to boost economic activity across Ontario, create jobs, ensure savings for ratepayers and secure a clean supply of reliable electricity. I think we need to have this conversation by starting at looking at Darlington.

In January of this year, we announced we would be moving forward with the nuclear refurbishment at Darlington generating station, securing 3,500 megawatts of affordable, reliable and emission-free power. The refurbishments will ensure that nuclear continues to be Ontario's single largest source of power, and will contribute \$15 billion to Ontario's gross domestic product throughout the project.

Further, the project is expected to increase employment by an average of 8,800 jobs per year between 2010 and 2026, peaking at an average of about 11,800 jobs per year between 2014 and 2023.

The Darlington refurbishment project is guided by the principles set out in our 2013 long-term energy plan and will be subject to strict oversight to ensure safety, reliable supply and value for our ratepayers. Ontario Power Generation has implemented a robust risk management strategy to ensure that contractors are held accountable and appropriate off-ramps are in place to protect ratepayers against poor performance. They're on track to

start refurbishments of the first unit at Darlington this month.

Actually, that happened this past Friday in Clarington. I had the honour of being there in the simulator—not in the real thing but the simulator. I'll emphasize the simulator. I got to push the button to shut down the nuclear reactor, which was still kind of anxious for me because you don't want to push a wrong button and then have to be called Homer Thibeault for the rest of your life.

1630

**Ms. Daiene Vernile:** Just like Homer Simpson.

**Hon. Glenn Thibeault:** Yes. But in all seriousness, the budget for this project is about \$12.8 billion, about \$1.2 billion less—I think that's important to emphasize—that originally projected by OPG. All four units are scheduled for completion by 2026.

The Darlington refurbishment project has strong community support, has undergone a comprehensive federal environmental assessment and will create employment opportunities, in addition to supporting Ontario's nuclear industry, right across our great province.

The province has also approved OPG's plan to pursue continued operation of the Pickering generating station beyond 2020 and up to 2024, which would protect 4,500 jobs across the Durham region, avoid eight million tonnes of greenhouse gas emissions and save Ontario electricity consumers up to \$600 million. By refurbishing the Darlington nuclear units, this means that we will help ensure that emissions-free nuclear will be part of our clean supply mix for decades to come.

Now let's look specifically at Bruce Power. In December 2015, Ontario updated its contract with Bruce Power and is proceeding with the refurbishment of six nuclear units at the Tiverton base nuclear generating station. This agreement will make 23,000 jobs possible and will support an estimated \$6.3 billion in annual local economic development.

Our updated agreement with Bruce Power secures 6,300 megawatts of emissions-free, low-cost electricity supply and supports Ontario's nuclear supply chain by creating jobs in communities right across the province. Further, the amended agreement will provide a long-term contract for the whole Bruce facility, with the refurbishment of the next first unit beginning in 2020.

In negotiations with Bruce Power, we were able to optimize the nuclear refurbishment schedule to maximize the life of existing units before they are shut down for reconstruction. As part of this revised timeline, refurbishment at Bruce will now be pushed back from 2016 until 2020.

I'd also like to touch on the smart grid and how emerging energy technologies influence the sector's economy. For those of you in the room who aren't familiar with what the smart grid is, it's a modern electricity system that's composed of intelligent electricity infrastructure, which uses advanced communications and control technology to improve the flexibility, security, reliability and efficiency of the electricity system.

A smarter electricity grid means system-wide benefits, including increased conservation, fewer service disruptions, lower greenhouse gas emissions, less wasted energy, lower operating costs and more job growth. The smart grid enables consumers with tools to help manage their electricity usage to find new ways to conserve and to support the integration of new beneficial technologies into their homes and businesses, such as electric vehicles and energy storage. The smart grid is driving research and development, innovation, investments and efficiencies in our energy sector. The bottom line is, the smart grid will help consumers' conservation efforts, will manage energy costs and integrate new, beneficial technologies, like electric vehicles and storage.

Ontario has deployed smart grid infrastructure that enables cutting-edge new technologies to manage our energy use, which helps drive the development of new, high-skilled jobs in the smart grid and clean tech sectors. Ontario is now directly supporting 26 projects through the Smart Grid Fund. The Smart Grid Fund supports projects that test smart grid technologies in a real-world environment and bring to market the next generation of energy grid solutions.

By leveraging private sector investment by well over three to one, Ontario's funding of the smart grid is leading to new solutions that will increase reliability, flexibility and responsiveness to meet the demands of tomorrow. We know this is important, and it's an important role for our government to play. We're always looking for new avenues to encourage different sectors to work together towards a stronger economy. Building a smarter grid and supporting innovation is part of the government's plan to build Ontario up.

What's my time at?

**The Chair (Ms. Cheri DiNovo):** It's 15 minutes you've got left.

**Hon. Glenn Thibeault:** Fifteen minutes.

I want to share with this committee where we have made and will continue to make strides in improving efficiencies within the electricity system. Let's start with the broadening of the ownership of Hydro One.

Chair, this has allowed us to make tremendous strides in improving efficiencies and maximizing our returns with the electricity system. To give this committee some background, in April 2014, the province asked the Premier's Advisory Council on Government Assets to review options for maximizing the value of government assets, including Hydro One, OPG and the LCBO. Following recommendations from the council, the province moved forward with broadening the ownership of Hydro One, to create lasting public benefits and ongoing public protections.

The Hydro One IPO was completed in November 2015, and the IPO raised approximately \$1.83 billion in gross proceeds and about \$116 million from related share sales. We've moved forward with regulations under the Trillium Trust Act, 2014, to prescribe the net revenue gains from the Hydro One IPO as well as the non-cash fiscal benefits from the deferred tax benefit recorded by Hydro One. These regulations ensure the fiscal benefits

associated with broadening Hydro One's ownership are credited to the trust for infrastructure investments.

On August 30, we announced that \$3.2 billion from the sale of Hydro One shares in 2015 has been dedicated to the trust.

On May 2, we announced the completion of the second phase, raising an additional \$1.97 billion in gross proceeds from a secondary offering of more than 83 million common shares of Hydro One. Approximately 53% of offered common shares were sold to retail investors, helping to ensure the broadened ownership of Hydro One. With this transaction, we remain on track to generate approximately \$9 billion in gross proceeds and other revenue benefits. This includes \$4 billion in net revenue gains that will be invested in infrastructure and \$5 billion to reduce debt.

In addition to the benefits from the share offerings, we've already received an estimated upfront gain of approximately \$2 billion from the deferred tax asset benefit as well as a special payment of \$1 billion in 2015. This special payment is broken down as an \$800-million dividend and \$200 million in additional payments in lieu of taxes.

After the secondary offering, Ontario continues to hold approximately 70% of Hydro One and will proceed with future offerings in a careful, staged and prudent manner over time, reducing the province's stake to 40% while remaining the single largest shareholder. Net revenue gains from the sale of Hydro One common shares will be dedicated to the Trillium Trust to help fund infrastructure projects that will create jobs and strengthen the economy. These net revenue gains will help fund priority projects such as GO Transit regional express rail, light rail transit projects in communities across Ontario through the Moving Ontario Forward initiative, and natural gas network expansion in rural and northern communities.

Another example of where we're making strides in improving efficiencies within the electricity system is through the local distribution companies' consolidation, in particular the planned merger of PowerStream Inc., Enersource Hydro Mississauga Inc., and Horizon Utilities Corp., and the purchase of Hydro One Brampton from the government to form one utility.

We are always looking at ways to help minimize price impacts on Ontario families and businesses. This includes the possibility of finding efficiencies through restructuring and consolidation of electrical utilities. Our government has been clear that we will not be forcing the consolidation of local distribution companies but will work to create incentives for voluntary consolidation. To that end, I'm often asked how we're encouraging voluntary consolidation. The answer is simply the benefits that it offers.

1640

As announced in the 2015 Ontario budget, the province is providing time-limited relief on taxes pertaining to transfers of electricity assets for all municipal electricity utilities, including transfers to the private sector.

*Interruption.*

**Hon. Glenn Thibeault:** Every time I hear bells, I feel like Pavlov's dog, right? I start to salivate and want to get to a chamber. We're all good?

**The Chair (Ms. Cheri DiNovo):** It's just a quorum call.

**Mr. Arthur Potts:** To the chamber, or to get a big steak.

**Hon. Glenn Thibeault:** Yes, one or the other.

**Mr. John Yakabuski:** Somebody just said Glenn Thibeault resigned. You'd better go in there and correct the record.

**Hon. Glenn Thibeault:** Yes. Thank you, Chair.

So this includes reducing the transfer tax rate from 33% to 22%, exempting MEUs with fewer than 30,000 customers from the transfer tax, and exempting capital gains arising under the PILs deemed disposition rules. Again, what I'm relating to is the voluntary consolidation of our LDCs. These measures will be for the period beginning January 1, 2016, and ending December 31, 2018.

Together, the merger of these three utilities with Hydro One Brampton will create the second-largest electricity distributor in Ontario. This represents a major step forward in promoting local distribution company consolidation in Ontario. Again, as mentioned earlier, all net revenue gains from the sale will go into the Trillium Trust, which in turn will be used to fund infrastructure projects that will create jobs and strengthen the economy. The merged entity is expected to deliver efficiencies and economies of scale while continuing to provide safe, reliable and affordable electricity.

From Conservation First to helping consumers, businesses and industries save money to nuclear refurbishment, our small but mighty ministry is at the forefront of projects that matter to most people. I know our top priority will always be ensuring that Ontario's electricity needs are met in a sustainable manner.

I know, Chair, that part of the piece that is important for me to talk to in relation to these pieces relates to some of the programs that we have put in place. These programs do a couple of things. They allow us to invest in infrastructure, and I think that the investment that we've made as a government over the last 10 years is critical to ensure that we have a safe, clean and reliable system. If we go back to those 10 years, we were really faced with an aging infrastructure that we had to rebuild, and so we eliminated coal. That's like eliminating seven million cars off of our roads.

Toronto's Vital Signs Report came out a few weeks ago—it might even be a little longer than that. They talk specifically about the investments that—not specifically about our investments, but the number of reductions in deaths relating to air pollution. So, from 2003 to 2014-15, the numbers went down by 23% and 41%. That's significant. I know my colleague MPP Potts used to work with Pollution Probe and talked about the importance of that, and that's something I think we should all be proud of. That's important for us to ensure that we don't have to have smog days anymore, because we've taken

significant action to reduce emissions from our electricity sector through the elimination of coal-fired electricity generation and associated investments in emissions-free generation.

In April 2014, as I said, we became the first jurisdiction in North America to fully eliminate coal-fired generation from our energy supply. I think, as I said, that this is something we should all be proud of. Ontarians, I know, are proud of it. It's a tremendous accomplishment, so we're very proud to recognize that we also brought forward legislation to make it illegal for any further government to burn coal.

Am I getting close to my—

**The Chair (Ms. Cheri DiNovo):** You have about five minutes.

**Hon. Glenn Thibeault:** Five minutes left?

**The Chair (Ms. Cheri DiNovo):** Yes.

**Hon. Glenn Thibeault:** With five minutes left, I'll skip through some of these things. I know we've talked a little bit about our priorities and we do have our new long-term energy plan coming forward, but a lot of the priorities that we've talked about and that I've spoken to in the half-hour that I have relate to the 2013 long-term energy plan. From the long-term energy plan, from the industrial conservation initiative that I talked to at the beginning of my speech, nuclear refurbishment—continuing to support and encourage indigenous community participation in energy projects is key.

One of the very first documents that I signed as the Minister of Energy was designating Watay Power to connect 16 of the 21 First Nations in northwestern Ontario. Now, there are many processes that still need to follow, but for those First Nations in that part of our province, this is giving them some hope. It's a significant investment. I believe costs are looking like about \$1.3 billion, once environmental assessments are done. I know the OEB is in their process right now, but that is something that we are all very proud of.

Also, I think this is a good opportunity for me to talk about some of the progress that we've been making when it comes to some of those accomplishments.

With Watay Power, that's over 10,000 people living in remote First Nations communities in northwestern Ontario with a reliable, clean supply of electricity. That's what they need. The construction, we hope, will get under way, and it's expected to get under way, in 2018 and will be completed by 2024.

The Green Investment Fund is another important accomplishment. As a down payment to Ontario's climate change action plan, we're investing \$100 million to help homeowners upgrade their homes, reduce their energy bills and cut greenhouse gas emissions, through the Green Investment Fund.

I know we're working with the two gas distribution companies in the province of Ontario—we're in partnership with them—Enbridge and Union Gas. Their program will help about 37,000 homeowners across the province to conduct audits, to identify energy-saving opportunities and complete those retrofits, like replacing furnaces and water heaters and upgrading insulation.

Looking at a few other things in relation to our 2013 long-term energy plan, or what we call the LTEL, it was designed to balance five principles that guide all of our decisions: cost-effectiveness, reliability, clean energy, community engagement and putting conservation first. For the past two-plus years, we've been rolling out a variety of initiatives under the plan that have been guiding our efforts to meet those guiding principles.

It's important for us to talk about conservation. It's the cleanest and most cost-effective energy resource we have, and it provides multiple benefits to Ontarians. It offers families and businesses a way to save money on their energy bills. They can improve their home comfort, and it improves their quality of life. But one of the important things to recognize is that it reduces strain on our electricity system and the need to build further expensive energy infrastructure, which does have a mitigating upward pressure on all of our energy prices. It also reduces our greenhouse gas emissions and our air pollution, contributing to a cleaner future.

Overall, the more we save with our conservation programs, the less we need to do to look for new supply.

It means bringing that type of mindset, that type of framework, to work with our agencies—we work with our local distributors on that—and with our ministries that we partner with. We partner with many, many ministries.

It means that we need to build a culture of conservation in Ontario. I know the ministry has been doing a great job on that, and we will continue to work with all of our stakeholders and the province to ensure that we do just that.

I know we're going to have further discussion on this, but as we plan our energy needs for the next 20 years, conservation will be the first resource we consider before building new generation and new transmission and distribution infrastructure, wherever that is cost-effective.

When you consider the potential for large-scale electrification, then making the most of our existing resources and achieving maximum efficiency becomes doubly important. So our ministry is providing leadership in implementing Conservation First by setting energy conservation policy and establishing energy-efficient standards.

We've been regulating the energy-efficiency products and appliances that we have here in the province for over 25 years, and we've set efficiency standards for over 80 products and appliances using electricity, natural gas, oil and propane, and found in all sectors—that's in residential, that's in the commercial sector or the industrial sector. I think, for quite a few years now, we've updated about 60 products with new or updated efficiency standards. We're doing that in conjunction—

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Minister, you are out of time now. Thank you.

We now move to the official—

**Mr. Bob Delaney:** Chair?

**The Chair (Ms. Cheri DiNovo):** Yes?

**Mr. Bob Delaney:** Before we go on, can we consider this to be our once-per-session brief break, please?

**The Chair (Ms. Cheri DiNovo):** Is that the will of the committee? A five-minute break? Yes? Okay. We will recess for five minutes.

*The committee recessed from 1650 to 1657.*

**The Chair (Ms. Cheri DiNovo):** Welcome back, everyone. Now we move to Mr. Yakabuski for 20 minutes.

**Mr. John Yakabuski:** Oh, they're not using their time?

**The Chair (Ms. Cheri DiNovo):** It's your time.

**Mr. John Yakabuski:** Well, I've got to check the score before—

**Mr. Todd Smith:** It's 2-0 Cleveland.

**Mr. John Yakabuski:** It's still 2-0 Cleveland. That's all you've been doing, Smith. It's about time you showed up. Get to work here.

**Mr. Todd Smith:** Exactly.

**Mr. John Yakabuski:** I want to talk about the OEB for a moment here. Do you have any issues with the OEB, that they have an unfunded pension liability of \$276,000 a year for the former chair and that the rate-payers are paying for the former chair's pension straight off their hydro bills?

**Hon. Glenn Thibeault:** I'll hand that to the deputy.

**Mr. Serge Imbrogno:** I would think that would be part of the contract that was signed between the OEB and the chair, so I don't have any insight into what the OEB may have negotiated with the chair.

**Mr. John Yakabuski:** But it's an unfunded liability.

**Mr. Serge Imbrogno:** I'm not a pension expert.

**Mr. John Yakabuski:** Well, don't ask an MPP. They wouldn't be a pension expert, that's for sure.

**Mr. Serge Imbrogno:** But those are contract terms between the chair and the OEB, reflected on the, as you say—but I don't have any insight into what they were negotiated—what provisions were made in that contract.

**Mr. John Yakabuski:** Shouldn't the OEB have enough—how do they fund other pensions within the OEB? Why would it be an unfunded liability and going right on to the rate base?

**Mr. Serge Imbrogno:** It may be related to previous pensions that the chair may have had and, as part of the contract negotiation, may be reflected that way. I don't have the contract. I don't know the details of what was negotiated.

**Mr. John Yakabuski:** Could you find that out for us?

**Mr. Serge Imbrogno:** We don't have access to any personal contracts. That's confidential. That's between the OEB chair and the OEB. We don't have access to that.

**Mr. John Yakabuski:** Well, this information was published, that it was an unfunded liability for the former chair. It couldn't have been too confidential. How would I know?

**Mr. Serge Imbrogno:** But the actual contract terms—we don't have the contract. We don't have access to a contract.

**Mr. John Yakabuski:** But you could find out about why there is an unfunded liability of \$276,000 a year, could you not?

**Mr. Serge Imbrogno:** I think that whatever has been disclosed to the public is what's available. That information is out there.

**Mr. John Yakabuski:** Okay.

**Hon. Glenn Thibeault:** Are you checking the score?

**Mr. John Yakabuski:** No, no. I'm leaving that to Smith. It's the only reason I brought him here.

Let's talk about the OEB and its May 1 decision to raise rates because of conservation. You were at a round table in Sault Ste. Marie—not a bar-hoppin' spree, but a round table. Mr. Orazietti said "(The OEB) certainly should not be justifying a rate increase based on the fact they believe there was too much conservation in the province"—you've talked about conservation and how vital it is to our future—"because that sends the wrong message. We certainly want to see consumers conserve, but we also want to see consumers rewarded for conserving."

Consumers conserved, rates went up: How is that being rewarded for conserving? Do you agree or disagree with your colleague? Should consumers be charged more for conserving, or should they be rewarded for conserving?

**Hon. Glenn Thibeault:** I know the deputy will come in and do an in-depth explanation as to the OEB's decision, but here's what—

**Mr. John Yakabuski:** I don't need an in-depth explanation. I just need to know how you feel. You're the minister.

**Hon. Glenn Thibeault:** And I'm very happy to answer that for you, John—sorry, MPP Yakabuski.

**Mr. John Yakabuski:** You can call me John.

**Hon. Glenn Thibeault:** I know I can call you John, but I am trying to follow the rules here.

**Mr. John Yakabuski:** I don't even know the rules.

*Laughter.*

**Hon. Glenn Thibeault:** I appreciate that.

Conservation is something that consumers are rewarded for. When they conserve, at the end of the day we all save, because they will save in the long run and our system saves in the long run.

Our Conservation First piece—which I know I talked about, and I'm not going to reiterate it for you. But the decision that was made by the OEB in May—I believe it was \$3 and change that was toward the bills back in May—was in relation to a different type of winter that wasn't expected and those types of things.

Maybe, Deputy, if you can talk to some of the specifics—

**Mr. John Yakabuski:** Well—

**Hon. Glenn Thibeault:** to answer your question, because I do think it's important that people have a really clear understanding on the OEB's decision and when they use that language.

**Mr. Serge Imbrogno:** I'll be tight with my answer, if that's what you're concerned about.

**Mr. John Yakabuski:** Okay.

**Mr. Serge Imbrogno:** As you know, there is a regulated rate plan that the OEB sets. They do it every

November and May—they reset it—but they do it on a forecast basis. The OEB hires Navigant Consulting, and they look at what they think is going to be—

**Mr. John Yakabuski:** More consultants.

**Mr. Serge Imbrogno:** Well, I think they want—

**Mr. John Yakabuski:** They can't figure that out themselves? That's what we appointed them for.

**Mr. Serge Imbrogno:** Well, I think they want to have it open and expert so that all the information is provided, all the details are provided.

But it is on a forecast basis, and over that forecast period, if they make a forecast error, they either collect too much or too little, and that's rebated back in the next period.

In this case, the forecast was wrong. They did an underestimation of what the weather patterns would be. They usually do it on a weather-normal basis. When you get the forecast wrong, you correct for it in the next period.

I see this as more of a forecast error or calculation, which you then recover in the next six-month period. If you collect too much from ratepayers, you give it back and reduce the rate going forward. If you don't collect enough, then you add it to the rates for the next six months. That process has been in place since we started with the RPP plan. That's the basis of it.

**Mr. John Yakabuski:** Well, it seems to me that the member for Sault Ste. Marie, Mr. Orazietti, is a bigger advocate for consumer protection and protection from rising rates when they conserve than the minister himself is. I would think that the minister should be a champion. Don't tell me what's going to be good for me in the long term. The long term—we never know how long we're going to be around. They want to know today why their rates went up as a result of conservation, and I don't think—

**Hon. Glenn Thibeault:** So, Chair, the question was—if they want to know about today, I'm more than happy to talk about today because the OEB came out today at 1 o'clock—

**Mr. John Yakabuski:** No, they want to know why the rates went up on May 1 today, I said.

**Hon. Glenn Thibeault:** Yes, and so today they announced the rates for the next six months. The OEB said that residential and small business electricity prices will not increase for the next price period. From now until April, we will not see a rate increase. That's good news for ratepayers right across the province. We are not going to see a rate increase because, as the deputy was talking about, the OEB, which is a quasi-judicial organization—

**Mr. John Yakabuski:** Quasi-judicial, okay, okay, I get it. So they did a better job of forecasting.

**Hon. Glenn Thibeault:** So that's great.

**Mr. John Yakabuski:** So the OEB, after making a huge mistake in May, have done a better job in November, which leads us to the next question. We have no idea what might happen next May. Their track record of being accurate isn't that good.

Now, on your position on conservation: Just recently, the OEB mandated a move to fixed distribution charges, which Hydro One has described characterized on their website: "Customers who use very little electricity will see an increase on their bill." Now, your colleague says you shouldn't be punished for conserving, yet you double down. Customers who conserve, according to Hydro One, will see an increase on their bill. So the people who are using less electricity are going to see an increase on their bill. How do you justify that? How do you square that? You're talking about conservation, and those people who do the best job of it are going to actually see an increase on their bill, because of the change to fixed distribution rates.

**Hon. Glenn Thibeault:** From my understanding, those, for example, who use electricity as a way to heat their homes and conserve will actually see a small savings with this. I know the OEB is continuing to look at the fixed rate, compared to the variable rate, but there also are some important factors that relate to the difference between having a fixed rate and having a variable rate.

Some of those specifics, I believe, Deputy, you could speak to in relation to the difference between a fixed rate and a variable rate—

**Mr. John Yakabuski:** Yes, yes, we know.

**Hon. Glenn Thibeault:** —and then how that actually goes right towards the question—

**Mr. John Yakabuski:** Okay, okay. It is my 20 minutes; I'll—

**Hon. Glenn Thibeault:** No, but the question that you asked—

**Mr. John Yakabuski:** I do understand the difference, so I'm okay with that.

What it sounds like to me is that people are being punished. Why are you punishing people for trying to save on their bills? This is a mandated change which is going to hurt those people who use the least amount of electricity.

**Hon. Glenn Thibeault:** From my understanding, for those that use electricity to heat their homes, especially for those of us in the part of the province that you and I live in, they are going to see some savings.

But, again, I think the important thing to look at is the difference between the variable and the fixed. I do think it's important that the OEB look at that process because—you know, we may agree to disagree on conservation, but it's the cleanest and most cost-effective energy resource we have, and it offers customers a way to reduce their bills in the long run. We talk about investments, and for every dollar invested in conservation programs, Ontarians can avoid about \$2 in system costs. That benefits us all. Reducing system costs benefits us all because then we don't see our rates having to increase to build larger infrastructure.

**Mr. John Yakabuski:** I love Liberal math. It's interesting, but I'm not sure that any of you would have passed that grade 6 test that most of our kids are failing today either because you guys just take those numbers

and pull them out of a hat. You have nothing to back up that \$2 for every dollar. You have nothing to back that up; that's just talking points, and you know that.

**Hon. Glenn Thibeault:** I think the deputy can easily back this up as well, so we're happy to back it up for you, since you asked—

**Mr. John Yakabuski:** Well, no, you—

**Hon. Glenn Thibeault:** Well, no, I think, Chair, that it would be only fair—

**Mr. John Yakabuski:** —because you're just going to back it up with more rhetoric.

**Hon. Glenn Thibeault:** —to demonstrate our math skills. If that's something that he's questioning—

**Mr. John Yakabuski:** You're not going to back it up with figures; you're going to back it up with rhetoric.

**Hon. Glenn Thibeault:** —the deputy would be happy to do that.

*Interjections.*

**The Chair (Ms. Cheri DiNovo):** One at a time, please. One at a time.

**Mr. Serge Imbrogno:** I'll just focus on the delivery charge. It was the OEB that said, "We want to work at a fair cost allocation of how you should collect the delivery charge." Whether you're consuming a lot or a little, the system still has to pay for you to be connected. So the OEB decided that it was fair to have a fixed charge for delivery. But I think they also recognize that for some consumers, there will be an adjustment, and they have a phase-in period of a number of years to allow people to adjust.

1710

It doesn't take away the incentive to conserve. You have a fixed price, whether you conserve a little or a lot. On the commodities side, there's still a large incentive for you to conserve.

I think it was an OEB decision to say it's a fair allocation of those fixed costs, and you still have an incentive to conserve. We provide those programs to assist, and there's an adjustment period as well. I think they recognize that some consumers might be worse off but they need time to adjust.

**Mr. John Yakabuski:** I come from an area where there are a lot of seasonal residents. They're all being hurt. They have the power shut off for half the year, or they use very little. It's not shut off, but they use almost nothing, and they pay. They're paying more as a result of that. So it's use less, pay more.

The Premier brags about time-of-use in question period. Time-of-use is not working for people either. I know you guys like to think that it is, but I get more people complaining about it every day—particularly if you're a small business and you're on time-of-use, and you're like a ma-and-pa restaurant business which essentially caters to the lunch crowd in rural Ontario. People don't go out for supper as much in rural Ontario or, you might say, dinner. They're home for dinner, but they go out for lunch. But if you're a time-of-use customer in rural Ontario running a restaurant business,

you're getting hammered, completely hammered, by time-of-use rates. They try to reduce, and they pay more.

Now I want to talk about the industrial rate increases.

**The Chair (Ms. Cheri DiNovo):** Mr. Yakabuski, you have just over five minutes.

**Mr. John Yakabuski:** Five minutes? Oh, by the way, it's 3-0, Cleveland. Coco Crisp hit a home run. Is that right, Mr. Smith?

**Mr. Todd Smith:** That's correct, yes. You are correct.

**Mr. John Yakabuski:** I want to talk about the rural rate. When you announced the rebate programs, it was said, "Whether in Kenora, Sudbury, Belleville, London or Barrie, your government has listened to and has heard your concerns." Of course, that was the Lieutenant Governor, on behalf of the Premier. "It recognizes that the cost of electricity is now stretching family budgets."

The government wanted to reintroduce the HST rebate and a rural rebate, to solve the problem. Are any of Kenora, Sudbury, Belleville, London or Barrie eligible for the rural rebate?

**Hon. Glenn Thibeault:** I can speak to my community of Sudbury. It's not considered rural, so they would get the 8% rebate.

When we're talking about making sure that families get rebates, we're making sure that they get it right across the province. Families in Kenora, in Sudbury are getting the 8% rebate, which is good for many families.

**Mr. John Yakabuski:** Okay. I didn't think it was. But in this House on October 5, you said the purpose of the 20% reduction is to make sure that those who live in rural, remote or northern communities get that benefit.

I live in Barry's Bay—1,100 people. Am I rural?

**Hon. Glenn Thibeault:** You would have to check with your LDC on what your terminology is.

Right now, we've always said that there are 330,000 families right across this province that will be getting the RRRP. Specifically in Sudbury—

**Mr. John Yakabuski:** I know I'm not rural on that basis. I was asking, and I'm answering my own question, I know. I'm not rural. But the way it was portrayed in the throne speech was that all of these rural people—everybody in my riding considers themselves from rural Ontario. They don't consider themselves from urban Ontario. They don't consider themselves from the GTA or anything else. They all consider themselves from rural Ontario, whether they live in a small community or not. My colleague Laurie Scott, who lives in Kinmount, which has about 300 people in it, doesn't qualify either.

I think it needs to be clarified, the definition of "rural." And 330,000 out of 13 million, or 13-point-some million, in Ontario is not very many. Is it 330,000 homes or—

**Hon. Glenn Thibeault:** It's 330,000 homes or families.

**Mr. John Yakabuski:** Homes or families. But it's a pretty small percentage of the people of the province of Ontario, or the families or homes of the province of Ontario. So I think it was quite misleading, the way it was portrayed, or sold, to the people of Ontario.

**Mr. Serge Imbrogno:** Maybe I can just clarify. I think what we've said is the RRRP was intended to help households that have the highest delivery cost, and those are related to the density. The lowest-density customers across Ontario have some of the highest delivery charges, so this was a targeted program to enhance what's already out there, to support low-density customers.

**Mr. John Yakabuski:** Okay. I've got a couple more quick ones there.

**Hon. Glenn Thibeault:** But it started in 2002 and was only \$33 at that point. Now we're moving it up.

**Mr. John Yakabuski:** Now, Global News is reporting that they have documents showing you're considering taking this rural and remote subsidy a step further and charging everyone more to make the delivery charges somewhat equal between urban and rural customers. Can you confirm that your ministry is looking at all options, including equalizing out those changes?

**Hon. Glenn Thibeault:** I think you asked a question earlier relating to the OEB. The OEB is looking at a fixed rate, versus a variable rate. I've said all along that part of my mandate in my mandate letter given to me by the Premier is to look at all options of trying to find ways that we can help ratepayers right across the province, specifically those that are R2 customers, that have that designation to pay higher fees.

**Mr. John Yakabuski:** Before the by-election in Scarborough—

**The Chair (Ms. Cheri DiNovo):** You have one minute, Mr. Yakabuski.

**Mr. John Yakabuski:** —when asked if Ontario would consider a system like Quebec's, where it's across-the-board charges for distribution and where people in the city subsidize those in more remote areas so everyone pays the same rate, you said that's not on the table. So is it your decision, or is it the OEB's?

**Hon. Glenn Thibeault:** No, I would double-check that. What I said was we already have a system that's very similar and socialized because we already had the RRRP in place. As I said to you in the last question, it's been around since 2002. Long before the by-election, this was being looked at and worked upon. I got sworn in on June 13 and we started to have briefings that day, I believe, Deputy, and many of those were talking about learning the system and, once I got a little bit of a handle on the file, looking at ways that we can—

**Mr. John Yakabuski:** So you're saying—

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Mr. Yakabuski, your time is up.

We now move to the third party. Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Chair. Minister, I want to go to the sale of Hydro One and the sale of shares to First Nations. Last July, the government announced it would sell 15 million shares of Hydro One through an investment vehicle owned collectively by First Nations in Ontario. The government will loan this investment vehicle \$268 million to purchase the shares. Why is the government loaning more than a quarter-billion dollars to

finance the sale of Hydro One? I thought you were selling it to raise money.

**Hon. Glenn Thibeault:** In relation to the specifics, I think the deputy would be best to speak to some of that.

**Mr. Serge Imbrogno:** Sure. The government decided, based on working with indigenous communities, that they wanted them to be part of the broadening of ownership of Hydro One. The provision of a loan allows them to participate. The loan has an interest rate that's favourable, but it does recover the loan and an interest provision on that. So that is payable over the 25-year term of the loan. I think it is a broader policy desire to have the First Nations and Métis participate in the broadening of ownership, and the loan allowed that to be facilitated.

**Mr. Peter Tabuns:** The plan requires that at least 80% of all Ontario First Nations sign on by the end of 2017. What happens if the 80% threshold isn't met?

**The Chair (Ms. Cheri DiNovo):** Deputy, if you could speak a little louder or closer to the microphone. Thank you.

**Mr. Serge Imbrogno:** Yes. Our intent is to have 100% of all the First Nations participate in the vehicle.

**Mr. Peter Tabuns:** What if you don't meet the threshold of 80%? What's your plan then?

**Mr. Serge Imbrogno:** Well, if you're above the 80%, there are certain reductions and payments that result. But it is based on meeting the 80% threshold, so—

**Mr. Peter Tabuns:** And if you don't meet the 80% threshold?

**Mr. Serge Imbrogno:** Well, then the shares wouldn't be provided. It is a requirement to meet the 80% threshold.

1720

**Mr. Peter Tabuns:** Okay. There was an agreement in principle that was announced in July. Can you provide us with a copy of that agreement in principle?

**Mr. Serge Imbrogno:** The agreement in principle would be between the government and the CCOE that negotiate on behalf of the First Nation. That is still being negotiated in terms of going from agreement in principle to a contract, so that is still confidential. We've agreed, both parties, to keep it confidential.

**Mr. Peter Tabuns:** Do First Nations need to waive any rights in order to sign on to this arrangement?

**Mr. Serge Imbrogno:** The negotiation was based on providing opportunity to participate in the broadening of the ownership of Hydro One. It wasn't linked to relinquishing any previous rights, land claims or grievances. In fact, the minister heads three tables that are specifically looking at how we can implement the political accord. One of them was the broadening of the ownership of Hydro One. There's an energy table, as well, and a grievance table, so we've set up a process to deal with past grievances and past land claims through other processes. This doesn't remove that obligation on the province.

**Hon. Glenn Thibeault:** And that was part of the importance of the political accord that was signed

previously, to ensure that we have those tables in place, to ensure that past grievances can be addressed, because those were important for many First Nations, as we move forward.

I think the importance of the July agreement was to really demonstrate the goodwill envisioned by that political accord that I mentioned. We really do want to promote stronger economic relations and goodwill with our First Nations, and I've been working with the ORC, Chief Day, quite a bit on this.

**Mr. Peter Tabuns:** The government failed in its duty to consult First Nations when it sold Hydro One. Will the signatories be required to declare that this duty has now been fulfilled?

**Mr. Serge Imbrogno:** I wouldn't agree with the assessment that we failed to consult.

**Mr. Peter Tabuns:** You may disagree with me, but will the signatories be required to declare that this duty has been fulfilled?

**Mr. Serge Imbrogno:** I think there is a requirement that if the First Nation signs on, they would agree to move forward with whatever is specified in the agreement. I don't want to say that there's anything related to duty to consult in that. We've tried to separate it. It's more of a commercial broadening of ownership, and like I've said, we tried to separate it from any past grievance issues.

**Mr. Peter Tabuns:** Will signatories be required to give their consent to the privatization of Hydro One assets located on their land?

**Mr. Serge Imbrogno:** There are existing rights of way that are between the First Nations and Hydro One, and those would continue. If they have issues with Hydro One, they could pursue those. There's nothing in the agreements that would remove that obligation for Hydro One to deal with the First Nations and reserve land.

**Hon. Glenn Thibeault:** And that relates back to the grievance tables, as well. So those grievance tables are there. If there were issues relating to Hydro One and there was a previous past grievance, then that opportunity is still present and still an opportunity for those First Nations.

**Mr. Serge Imbrogno:** I'd just add on the grievance table, I think the intent is that instead of going to the courts, we have an opportunity for the First Nations to meet face to face with the minister, and there are economic ways that we can resolve these issues rather than going to the courts, which takes up a lot of time and cost and might not be resolved for generations. I think this is a process that we both agreed to that we think would have a better outcome going forward.

**Mr. Peter Tabuns:** So that I can understand this process more clearly: You're saying that in one area there is an agreement that is being signed on a commercial basis, and in a separate space or area there are tables that have been set up to consider a number of outstanding questions. Do I understand that correctly?

**Mr. Serge Imbrogno:** That's correct.

**Mr. Peter Tabuns:** Okay.

**Mr. Serge Imbrogno:** I think the innovation there is: Can we do that without going to the courts? Can we find a discussion as to a solution?

**Mr. Peter Tabuns:** Can you name the different tables that have been set up and the issues that they are considering?

**Mr. Serge Imbrogno:** There's the energy table, where we discuss energy policy issues. There's the Hydro One table. Then there's a grievance table. The grievance table is more identifying what are, from the First Nations' perspective, grievances that have not been rectified yet.

**Mr. Peter Tabuns:** Will signatories be required to grant access rights to Hydro One to transmission assets located on First Nations land?

**Mr. Serge Imbrogno:** No. There's nothing that links that commercial arrangement to anything related to Hydro One and access to lands.

**Mr. Peter Tabuns:** Is the agreement tied to any other First Nation programs, such as the \$3-million electrification readiness program to connect 21 diesel-dependent First Nation communities to the grid?

**Mr. Serge Imbrogno:** No, there's no linkage to that.

**Mr. Peter Tabuns:** Does this arrangement replace or supersede any existing or planned programs for First Nations?

**Mr. Serge Imbrogno:** No. This would all be incremental to whatever existing programs are or whatever new programs the government was considering.

**Mr. Peter Tabuns:** The announcement that came out referred to both an investment vehicle for the Hydro One shares and an investment fund. Are these the same thing?

**Mr. Serge Imbrogno:** It really will be up to the First Nations how they want to set up this investment vehicle and what it will invest in and how that is structured. So those are part of the discussions with the First Nations, how they want to—

**Mr. Peter Tabuns:** Sorry, but to be clear, are the investment vehicle and the investment fund the same thing?

**Mr. Serge Imbrogno:** I think you have to have that investment vehicle initially and then it can set up an investment fund and how—

**Mr. Peter Tabuns:** So they're two separate things, two separate entities.

**Mr. Serge Imbrogno:** That's correct, but part of the same discussion with the First Nations.

**Mr. Peter Tabuns:** I understand they can be part of the same discussion, but one is not interchangeable with the other.

**Mr. Serge Imbrogno:** No. I think you would set up an investment vehicle and then create an investment fund.

**Mr. Peter Tabuns:** Will the \$45 million in seed money for the investment fund still flow if the 80% threshold is not met?

**Mr. Serge Imbrogno:** No. That is part of meeting the 80% threshold.

**Mr. Peter Tabuns:** Where is that \$45 million coming from?

**Mr. Serge Imbrogno:** That would be coming from the Consolidated Revenue Fund.

**Mr. Peter Tabuns:** From the Consolidated Revenue Fund. Out of any particular ministry's budget?

**Mr. Serge Imbrogno:** It will be reflected, going forward, in the Ministry of Energy's budget. It's not reflected now because—

**Mr. Peter Tabuns:** It's not reflected in this estimates briefing book?

**Mr. Serge Imbrogno:** No, because that needs to be updated for when we go forward. That's 2015-16, and when we go forward, there will be new estimates.

**Mr. Peter Tabuns:** Okay. So should it go forward, it will show up in the Ministry of Energy estimates and spending in the future?

**Mr. Serge Imbrogno:** That's correct.

**Mr. Peter Tabuns:** All right. What happens for a First Nation that does not sign on if the threshold is met?

**Mr. Serge Imbrogno:** Initially, they wouldn't be part of the investment vehicle and investment fund. They would have time to sign up later. I think there are arrangements in place that will allow them to come on board at a later date.

**Mr. Peter Tabuns:** How much longer do they have?

**Mr. Serge Imbrogno:** I don't recall the exact terms of how long they have.

**Mr. Peter Tabuns:** Can you provide—

**Hon. Glenn Thibeault:** Sorry. Just for clarification, how long—

**Mr. Peter Tabuns:** Well, if they don't sign up initially, if I understand the deputy minister correctly, he's saying they can sign up at a later date. What's the size of that window? Is it two years? Five years?

**Mr. Serge Imbrogno:** I'd have to check whether that's in the public domain.

**Mr. Peter Tabuns:** Could you check and report back?

**Mr. Serge Imbrogno:** Whether it's in the public domain, I will check.

**Mr. Peter Tabuns:** If that's duly noted, great.

Are the First Nations that don't sign up entitled to revenue generated from the investment vehicle or the investment fund?

**Mr. Serge Imbrogno:** No, it would be part of signing up to being part of that investment vehicle that you would participate in the benefits.

**Mr. Peter Tabuns:** Okay.

Many Hydro One transmission wires run across First Nations land. Transfer of ownership of these wires requires consent of the First Nations, which apparently was not sought by the government or given by the First Nations when the IPO was announced. Has this consent been given yet?

**Mr. Serge Imbrogno:** Like I said, the—

**The Chair (Ms. Cheri DiNovo):** Deputy Minister, you have a very soft voice. Could you move the microphone towards you? Thank you.

**Mr. Serge Imbrogno:** I'm trying not to yell.

**Mr. Peter Tabuns:** Well, if it would make for a clearer record, raise your voice.

**Mr. John Yakabuski:** I understand the soft voice part.

**Mr. Serge Imbrogno:** The consents between Hydro One and the First Nation communities are part of the agreements between those two, and it doesn't relate to what we're talking about.

**Mr. Peter Tabuns:** So does Hydro One now have full access rights to all of its wires on First Nations land?

**Mr. Serge Imbrogno:** There are probably some areas where people agree and disagree. I don't want to get into all the grievances that may emerge. I think that's what we've asked the First Nations to do is—part of what we found is there are historic grievances that the First Nations have that haven't been surfaced, and we're trying to collect those. So I don't want to say one way or the other whether there are or are not outstanding grievances.

1730

**Mr. Peter Tabuns:** Set aside grievances. Does Hydro One now have full access rights to all of its wires on First Nations lands?

**Mr. Serge Imbrogno:** I believe Hydro One believes it has access to those transmission assets on First Nations lands.

**Mr. Peter Tabuns:** That's the belief of Hydro One?

**Mr. Serge Imbrogno:** That's correct. I don't want to say what First Nations communities agree or disagree with that.

**Mr. Peter Tabuns:** What happens if Hydro One can't get access rights from First Nations?

**Mr. Serge Imbrogno:** I don't want to speculate on that.

**Mr. Peter Tabuns:** And you won't speculate on who will pay if Hydro One needs to replace the infrastructure?

**Mr. Serge Imbrogno:** It's very speculative. I think what we're trying to set up is, as we said, an energy table and a grievance table where we can work these things out and not refer to courts and so on.

**Hon. Glenn Thibeault:** An important piece, MPP Tabuns, is that we're really trying to establish, as that political accord outlined, strong partnerships with our First Nations, and if there are any grievances, that we have those tables that they can bring those grievances forward to and sit down and have those conversations to have them addressed.

**Mr. Peter Tabuns:** The Ontario Clean Energy Benefit Act required a separate regulation in order to extend that rebate to customers of remote unlicensed distributors on First Nations. Some of the prescribed distributors did not participate in the Ontario Clean Energy Benefit. Can you tell us which ones and why not?

**Hon. Glenn Thibeault:** I would like the deputy to.

**Mr. Serge Imbrogno:** There are certain First Nation communities that are linked directly with the federal government—IPAs, independent power authorities. We've reached out—and in the past, we've reached out—to the IPAs to provide them with a different way of getting the Ontario Clean Energy Benefit at the time.

Some of them decided to engage with us and we provided that benefit. Others decided not to engage with us.

We're doing the same thing with the 8% rebate, where we're reaching out to all of the IPAs and giving them an opportunity to participate. It will be a different mechanism, where we provide the funding, but it will be up to each individual IPA to decide whether they want to participate or not.

**Mr. Peter Tabuns:** Can you tell us which IPAs did not participate with the Ontario Clean Energy Benefit?

**Mr. Serge Imbrogno:** Not off the top of my head. I just want to make sure I'm not providing information that they may find that they don't want to share on whether they participated or not. So I'm a little reluctant to start naming communities.

**Mr. Peter Tabuns:** Well, then, will you check to ensure that no one is offended? And if no one is offended, will you provide us with that information?

**Mr. Serge Imbrogno:** I think I'd be more comfortable telling you how many of those communities participated.

**Mr. Peter Tabuns:** So, how many?

**The Chair (Ms. Cheri DiNovo):** Mr. Tabuns, you have about five minutes left.

**Mr. Peter Tabuns:** Thank you. So how many?

**Mr. Serge Imbrogno:** How many of the IPAs? I think there are 14 IPAs, and I can tell you how many participated in the OCEB.

**Mr. Peter Tabuns:** How many?

**Mr. Serge Imbrogno:** I don't know, off the top of my head. I'll get back to you on the number.

**Mr. Peter Tabuns:** Okay. You were saying that you'd like to make the 8% rebate available to customers of remote unlicensed distributors on First Nations territory. Do you have a sense of when that will be taking place?

**Mr. Serge Imbrogno:** I think we're reaching out now. I think we're actively reaching out to all of the First Nation communities. We are about to engage in our LTEP consultation process, which has a separate stream for engagement with the First Nation communities, and that will be part of the discussions that we have. So it's an active reach-out.

**Mr. Peter Tabuns:** If you're not able to come to a resolution in a speedy way, will payment be retroactive to January 1, 2017?

**Mr. Serge Imbrogno:** If there's an issue—this would apply across the board. If, for example, there's a small LDC that may have a delay in implementing, it would be retroactive to January 1, 2017.

**Hon. Glenn Thibeault:** That was part of the process of getting the bill through the House as quickly as possible, because there are 72 LDCs, and we're talking about the First Nations who need to implement the software programming to be able to get those rebates out as quickly as possible.

**Mr. Peter Tabuns:** On another matter, then, why is the money from the cap-and-trade program being used to reduce hydro rates?

**Mr. Serge Imbrogno:** There is a process in place for getting money from the cap-and-trade proceeds into whatever initiative. There is a requirement to show that there is a reduction in GHGs from that initiative. As we go forward, working with MOECC, we'll provide the information that would show the reduction in GHGs related to any initiative, including any money that goes back through to industrials or commercial companies.

**Mr. Peter Tabuns:** Can you expand on that for a moment? What money is going through to industrial and commercial operations from cap-and-trade?

**Mr. Serge Imbrogno:** In the budget, the government announced that up to \$1.3 billion over the first compliance period would go back to support residential, commercial and industrial. Given that we're already doing the 8% rebate on the residential, we'll just follow through with the commitment to the commercial and industrial sectors.

**Mr. Peter Tabuns:** What are your targeted GHG reductions from those sectors?

**Mr. Serge Imbrogno:** That would be part of the work we're doing now, to structure that, to provide the support to say that if we move forward with this initiative it will have a GHG reduction. That's work that's under way right now within the ministry.

**Mr. Peter Tabuns:** What is the intention? Is the intention to provide them with funds that will reduce their use of fossil fuels with their operations or reduce the use of power generated by gas-fired plants?

**Mr. Serge Imbrogno:** I think we have a couple of options for how to structure it. That would be one way of doing it, to provide an incentive to use less during peak and more during off-peak. There are different things that we're looking at to try to incent a lower GHG profile.

**Mr. Peter Tabuns:** Have you set out any position papers, any proposals on how one would reduce GHGs using this cap-and-trade money with the electricity system?

**Mr. Serge Imbrogno:** That will be part of the process that we'll follow going forward. I think the Minister of the Environment and Climate Change will then make public the review of any initiative and the rationale for that. I think that's part of the process that's already been in place for accessing monies through the cap-and-trade.

**Mr. Peter Tabuns:** So at this point, it's all very preliminary. You don't have any program in place.

**Mr. Serge Imbrogno:** No, at this point it's the ministry working with MOECC and other ministries to develop a program, and then it will go through for approvals, and then the Minister of the Environment will publish reports on not just our initiative, but all the initiatives that get funding from cap-and-trade.

**Mr. Peter Tabuns:** Will any of the money from the cap-and-trade program be used for the refurbishment of nuclear reactors?

**Mr. Serge Imbrogno:** We're not working on any initiative that would link cap-and-trade to any of the refurbishments that are under way.

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Mr. Tabuns, your time is up.

We now move to the government side. Mr. Potts.

**Mr. Arthur Potts:** Thank you, Chair DiNovo, and thank you to Minister Thibeault and Deputy Minister Imbrogno for being here today to have a chance to go through this. Let me start—I want to talk about our position in Ontario with respect to the Canadian Energy Strategy. We'll get down to that.

At the outset, though, I want to reflect on how proud I am as a member of our government to be in the midst of this transformation in electricity, electricity rates and electricity provision in Ontario, particularly as we move forward into a cap-and-trade regime. With the appointment of our new minister and a whole new fresh set of eyes on opportunities in generating and in transmitting electricity in this province, I know we're taking a position whereby we will be delivering much more affordable electricity in Ontario more efficiently, and ultimately much cleaner electricity. That's extraordinarily important as we move forward, particularly in a cap-and-trade world.

I came to my interest in the Canadian strategy quite early in my professional career. It was when I was about 15 or 16. I told the story before in other committees, but my—

**Ms. Daiene Vernile:** Tell it again.

**Mr. Arthur Potts:** I'd be happy to. My godfather was Larratt Higgins. Larratt Higgins was the chief forecaster for Ontario Power Generation during the entire early ramp-up of our nuclear power systems. I would sit there at 16 years old and he would be on his Texas Instruments programmable calculator. I mean, how far have we come in our technology? In those days, he was doing his forecast modelling on a Texas Instruments calculator with little cards that he would punch, and it would go through the machine. I know we have far more sophisticated models now that we use to project energy demand and weather patterns and such. He would explain to me at the time what he was doing and where this was taking his perception of what we needed to do in providing Candu nuclear power in Ontario.

I remember that as a result of his forecasts and the build-out of the plant at the time, we did enter into a period not unlike where we are now, where there was an excess of supply.

1740

He was pulled in front of probably a public accounts committee at the time—I can't recall exactly what committee—and he was asked to account in the committee for how it was, under his watch, that we had ended up with such an incredible surplus of electricity.

He said, and it's in Hansard—it's actually now quoted in Colombo's Canadian Quotations. He was asked, "Mr. Higgins, how is it you can account for this excess of supply in hydro?" He said, "I think of hydro forecasting much the same way that John A. Macdonald thought of his gin, in that maybe a little bit too much was just about the right amount." The history of where I started off at a

young age, in getting interested in hydro issues, is through my godfather, Larratt Higgins.

From that, I had the pleasure at about 17 to be involved with a bunch of engineering students at the University of Toronto—smart guys, chemical and mechanical engineers—including my older brother Joe. Joe is now a carpenter. He didn’t continue down that path in engineering; he’s a carpenter and does good work.

They put together the very first car in North America that was fuelled on hydrogen. That’s in about 1975. They, working in my parents’ front driveway, took an Austin Mini Morris motor apart. My brother did all the bodywork and some of the other mechanical stuff. They got this thing running on hydrogen, through the carburetor, compressed hydrogen gas, through a friend of the family, Sandy Stuart.

Sandy Stuart was president of a company called Electrolyser Corp. that had done the initial encouragement to Ballard Power to give them hydrogen, to go down the route that Ballard went. They eventually became Stuart Energy and now they’re known as Hydrogenics, and who are one of the most significant Canadian technology providers in the hydrogen space.

They got this car running. They went across the Glen Road bridge over to Sandy Stuart’s home on Binscarth and picked him up, and they’re driving around north Rosedale. The member from Renfrew knows north Rosedale well, I’m sure. There are lots of beautiful houses in his community that look a lot the same.

He’s driving around in north Rosedale, in the passenger’s seat, and he turns to my brother, who’s driving the car, and he says, “So where have you stored the hydrogen? Is it in the trunk? I didn’t see it on the roof.”

He says, “No, it’s under your seat.”

He says, “Okay, boys. Pull the car over,” because it was running hydrogen through a carburetor—very volatile—and it may be not the safest way of travelling. We’ve come a long way since then in how hydrogen can be used as a fuel source.

My interest was piqued in hydrogen back then.

One of the other engineers involved was a fellow named Paul Leitch, who is now the director of sustainability at the University of Toronto. He does some incredible work in sustainability and climate change initiatives at the university. In maybe 1982 or 1983, he ran what he called the “solar rock concert” in Riverdale Park. Riverdale Park is just a little bit west of where I currently represent. He ran an entire weekend concert series using solar power into batteries, with rock guitars, electric guitars, drummers and the rest of it. I was helping out. I was more of a roadie at the time, schlepping batteries and cables and all the equipment we needed in order to get this thing going.

It was extraordinary to watch early technology at work. That has led to pretty much a career, in my life, where I have been focused on sustainable opportunities in energy and waste management, new technologies that are clean, green and sustainable. It’s such an honour for me now to be in the Legislature, where I can have a

chance to help put some of these dream ideas into practice.

The world has changed. As the minister knows, we are on the precipice of an unbelievable opportunity with the way we have an electrical generation system in Ontario, compared to other jurisdictions, where things like hydrogen power, because of the fact that we are at almost 90% clean production, carbon-free production—and certainly 100% off-peak—that we can use hydrogen as an extraordinarily important storage source and as a transportation fuel.

It might have been 12 years ago that I was in Ottawa at a conference, the Hydrogen Road Map Workshop. At the time, some of the brightest minds across Canada and the United States were talking about what the future would be for hydrogen, at this conference. The conclusion at the end of the conference was that probably the best use at the time was for Zambonis, as demonstration projects, because the technology wasn’t there and the costs associated with on-board conversion of propane and gases to hydrogen, which was the theory at the time of how to best involve such valuable minerals and metals—it wasn’t practical as a long-term solution.

At the time, because of our coal generation system in Ontario, the carbon cost associated with generating hydrogen—it just didn’t make sense from a greenhouse gas initiative to be doing it. But with the closing of the coal plants, suddenly, and with a 90% generation of fossil-free fuel, hydrogen starts to make a lot more sense, if you are using electricity through electrolyzers to create the hydrogen that you can then put back in to energy sources, where the only emissions in transportation is water vapour and oxygen. So we have that opportunity in Ontario and we’re proceeding to develop it.

My last car before the one I currently own was an old Mercedes Benz, a 300D.

**Mr. John Yakabuski:** Oh, I could never afford a Mercedes.

**Mr. Arthur Potts:** Well, I bought it for \$500 and even you, sir, I’m sure, could afford a \$500 car. I bought it because of the opportunity it provided for me to take used french fry oil from my restaurant and siphon it through a strainer, take out the chips of chicken fingers and french fry bits, and put it right into the gas tank.

**Mr. Todd Smith:** I remember you from Back to the Future.

**Mr. Arthur Potts:** That’s right—right into the oil tank. I would run this banana-yellow Mercedes all over town, particularly during the summer—

**Mr. John Yakabuski:** You’ve got to get a separate fryer for french fries and chicken wings.

**Mr. Arthur Potts:** You should come to my restaurant and enjoy the benefits of having them both.

I would run this car, particularly in the summer, because in the wintertime, of course, you don’t have the same opportunities because it will congeal—I would do this without taking the glycerin. Normally, now, when you make a biodiesel, you take the oils and you remove

the glycerin, which is a soap-like substance—that's what you make your soap with—

**Mr. John Yakabuski:** You could make nitroglycerin.

**Mr. Arthur Potts:** You remove the soap. And so biodiesel is different than running your car on straight diesel, and what ends up when you combust it is that it has a bit of a french-fry, popcorn smell. I would drive around the community in my car and you knew I was coming, if the wind was coming from the right direction.

I've had this ongoing, continuing interest in sustainable energy and sustainable fuels. Now I find myself in this government and now, as the PA to the Ministry of the Environment and Climate Change, one of my mandates will be to take control and initiative around the alternative fuels strategy.

It's here where we're starting to see where the transportation issue hits the road on what your ministry is doing, particularly in electricity generation and transmission. In the alternative fuels strategy, which will focus on gasoline and the replacement of gasoline as a fossil fuel with better-performing carbon fuels, whether it's renewable methane, possibly propane as a by-product of other processes or using off-peak electricity to make hydrogen or other products that can be used, or even just charging a battery—suddenly, what you are doing is translating into the displacement of transportation fuels and going from just lighting and heating, which has been the traditional role of electricity in the province since Adam Beck started this thing way back when, to—

**Mr. John Yakabuski:** Tell us about Adam.

**Mr. Arthur Potts:** I'd love to tell you. My father and my mother—funny you should ask. My father proposed to my mother under the statue of Adam Beck on the front lawn of Queen's Park.

**Mr. Todd Smith:** No. You've got a story for everything.

**Mr. Arthur Potts:** It's actually a true story. And my mother, who—

**Mr. John Yakabuski:** But can you tell us where Adam Beck proposed?

**Mr. Arthur Potts:** I have no idea where Adam Beck proposed. I know where his school is. His school happens to be in the riding I represent.

My mother actually told him no because she said to him that she always believed that she wouldn't marry a man until he asked her three times. So when my dad asked the first time, she said, "No, but ask me two more times and I'll say yes," which he did, and she did.

Anyway, Adam Beck had a vision of electricity—clean, reliable—and it's a vision, I think, that we're proceeding on very clearly in the province of Ontario under the new realities of the opportunities we have here with private sector knowledge and initiatives.

We do have this opportunity and the clean energy strategy will be focused on gasoline and replacement. We've already done a diesel strategy or mandates for a portion of the diesel that will be in people's cars to increasingly be biodiesel from waste oils and renewable oils, so that they will reduce that non-renewable fossil

fuel impact and hopefully will help to reduce our carbon footprint dramatically.

1750

During the summer, I had an opportunity to visit with Penetanguishene, when we launched the micro-grid in Penetanguishene. Penetanguishene is served by PowerStream, a privately run local distribution utility corporation, which is extraordinarily innovative in what they are doing. Their initiative was to go and take a feeder line into Penetanguishene, because the length of the direction from the main line and all the forest that it went through resulted in repeated power outages all the way out throughout to Penetanguishene, and it would take some time for Hydro One to come out and find the breakage and fix it.

But now, with a line attaching Penetanguishene to a micro-grid which has something on the order of 500 kilowatt hours of lithium battery storage in two big containers—they keep those batteries charged off-peak, which does two things: One is that they can peak shave during the days when the lines are all fully running, which reduces peak demand in the community; but secondly and more importantly, when—and it will happen—a wind blows a limb on top of a pile of wires and knocks them down and the power goes out, they will have something like a day and half of redundancy power into the downtown core in order to keep the lights on, particularly in the hospital and other significant businesses and in residences in the community.

That's really important. This is an innovation that I think will start to repeat itself across the province with this kind of initiative, even in the First Nations. As we get the micro-grids into First Nations, we can probably start taking diesel generation off-line using storage sources and sustainable energy, whether that's run-of-the-river, solar or wind power and either charging batteries or possibly making hydrogen to be used similarly, as a transportation fuel. It could also be a storage fuel to make storage in batteries in micro-grids more efficient and effective.

I was very proud to be part of that. They did it in consultation with a Korean company called KEPCO, the Korean Energy Power Corp. They developed some very intricate software in order to allow the grid to operate seamlessly. Minister, you talked at length about the smart meters and how important smart meters are to the new electrical economy. KEPCO has done incredible work on how the micro-grid will work there. I hope that we'll see a lot more of that initiative across the province.

You're also seeing these opportunities with cap-and-trade, where we can reinvest some of the proceeds into retrofits of houses. I know people in rural areas who don't have the opportunity to heat with gas have suffered serious costs associated with heating their homes on pure electricity. The importance of being able to renovate and retrofit their home to be airtight is so significant. Providing the funds from cap-and-trade and from other programs so that they can see the payback through the energy savings, I think, will be extraordinarily important.

I'm looking forward to assisting in working on some of those programs in my own house. I bought a house last year and moved in in February of this year. We did a massive renovation—full insulation. Now we heat with gas. In fact, there are only two things left in my house that are original: the stairs to the second floor, and the furnace because it was a high-efficiency furnace put in a couple of years earlier.

We moved in at the end of February, so our first month of living there in March—I compared the month of March energy bill to the previous March when the previous owners had lived there, and, even though it was a colder winter, we went from an almost \$320 bill the previous year to just over \$85.

**Ms. Daiene Vernile:** Oh, that's significant.

**Mr. Arthur Potts:** An incredible savings associated with retrofitting. I know that if we can do that kind of retrofitting—

**The Chair (Ms. Cheri DiNovo):** Mr. Potts, you have just over three minutes left.

**Mr. Arthur Potts:** Do I? Okay. Wow. I have so much more to talk about, because it's the role that Ontario is playing in climate change initiatives—I want to know that we are taking that kind of expertise into the federal level.

As we try to deal with the road map and hydrogen, maybe, Minister, you could talk a little bit about the role that the province of Ontario is playing in the federal Canadian Energy Strategy and give us a better sense of how we're providing leadership there as well.

**Hon. Glenn Thibeault:** Thanks, MPP Potts, and thanks for that question.

**Mr. John Yakabuski:** It was a long question.

**Hon. Glenn Thibeault:** But you know what? It needed some important prefaces, and I appreciate that, because you are talking a lot about the things that I am very excited, as minister, to be part of. We are on the precipice of the tipping point, as Malcolm Gladwell says often, for some great things to happen in the energy sector—things like energy storage, like hydrogen, like electric vehicles. We are on this precipice of great things.

The Canadian Energy Strategy really is supporting that. For us, taking a leadership role on several precedent-setting initiatives—for example, we're leading the work with provincial and territorial governments to support further investment and development of efficiency standards to drive greater, more cost-effective reduction of greenhouse gas emissions. That's important.

We also want to accelerate market transformation. Hydrogen is one of those, right? So for us, that's important. We also want to support the broader adaptation of the Green Button standard across Canada and address barriers to energy efficiency financing. Those are things that we've seen as doing as leaders at the Canadian Energy Strategy, and I know we're playing that role. Many of our ADMs are doing great work with that, and I'm very proud of them and thankful for the great work that they're doing in that. But that's coming following the direction from the Premiers, I think we need to say, at

the summer Council of the Federation that happened in July of this past year.

It's important for us to reiterate that we really do welcome this opportunity to engage further with our partner provinces, especially our provinces and our territories, to advance collaboration models for pursuing new and innovative clean energy technologies. This collaboration also needs to include our federal government as well, especially where that's appropriate, which is an important piece for us.

I think it's important for me to say, as minister, that I look forward to continuing those operations in that work that I'm having with my provincial counterparts and the territorial ministers on the CES implementation.

I probably have, what, about a minute left? If the deputy wanted to—

**The Chair (Ms. Cheri DiNovo):** Thirty seconds.

**Hon. Glenn Thibeault:** Thirty seconds. Do you have anything, you think, of relevance that I didn't add, in 30 seconds?

**Mr. Serge Imbrogno:** Probably by the time I speak, my time will be up, so—

**Mr. John Yakabuski:** And you speak so softly.

**Mr. Serge Imbrogno:** I speak so softly. We can expand on it next time we get asked about the clean energy strategy.

**The Chair (Ms. Cheri DiNovo):** Thank you. We now move to the official opposition. Mr. Yakabuski.

**Mr. John Yakabuski:** How much time do we have, Chair?

**The Chair (Ms. Cheri DiNovo):** Until 6 o'clock—about four minutes.

**Mr. John Yakabuski:** About four minutes. It's 3-0, Cleveland. Estrada has been replaced by Brett Cecil, the top of the seventh.

**Hon. Glenn Thibeault:** Thank you for that.

**Mr. John Yakabuski:** My father did not propose to my mother under the statue of Sir Adam Beck. In fact, I'm not even sure he ever proposed to her; they actually eloped. But that's another story.

Oh, I'm sorry. This is estimates. Oh my goodness, we're asking questions. Oh, goodness, gracious. Did you get all of that story? Because you've got people who have to repeat that.

**Mr. Bob Delaney:** We were actually following the saga of your folks. I was hoping you would dwell on it a bit more.

**Mr. John Yakabuski:** On what?

**Mr. Bob Delaney:** We were following the saga of your folks. I was hoping you would dwell on it.

**Mr. John Yakabuski:** Well, they spent enough time together. My God, there were 14 of us.

So where was I, anyway? Oh, yes. On the HST rebate, your ministry's press release said that eligible families include about five million families, farms and small businesses. But Minister, you were aware that farmers were already eligible for a full HST rebate on their taxes for electricity on their farms, weren't you? If so, why would you be gloating about something that already exists?

**Hon. Glenn Thibeault:** Many of the farms that didn't get access to this will now have access to it, and it will be permanently on their bills come January 1, because the bill passed today in the House unanimously. So thank you for that, because it is important to get that out and it's key for us.

Just so everyone is aware, my parents didn't propose under the Adam Beck statue either.

**Mr. John Yakabuski:** They didn't either?

**Hon. Glenn Thibeault:** No.

**Mr. Bob Delaney:** Where did they propose?

**Mr. John Yakabuski:** You're not sure of that either, are you?

**Hon. Glenn Thibeault:** Oh, I am sure of where they proposed.

**Mr. John Yakabuski:** Oh, you are sure?

**Hon. Glenn Thibeault:** Yes.

**Mr. John Yakabuski:** Well, my parents never told me whether there was a proposal.

**Mr. Serge Imbrogno:** Minister, maybe I could just—  
*Interjection.*

**Mr. John Yakabuski:** Oh, your parents did?

**The Chair (Ms. Cheri DiNovo):** I'm afraid we are done. We are going to adjourn—  
*Interjections.*

**The Chair (Ms. Cheri DiNovo):** Order, please, for just one second. We are going to adjourn until next Tuesday at 9 o'clock in the morning.

*The committee adjourned at 1800.*

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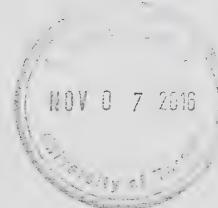
**Official Report  
of Debates  
(Hansard)**

Tuesday 25 October 2016

**Standing Committee on  
Estimates**

Ministry of Energy

Ministry of Agriculture,  
Food and Rural Affairs



**Assemblée législative  
de l'Ontario**

Deuxième session, 41<sup>e</sup> législature

**Journal  
des débats  
(Hansard)**

Mardi 25 octobre 2016

**Comité permanent des  
budgets des dépenses**

Ministère de l'Énergie

Ministère de l'Agriculture,  
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## **CONTENTS**

Tuesday 25 October 2016

Ministry of Energy .....	E-131
Mr. Serge Imbrogno	
Hon. Glenn Thibeault	
Ms. Kaili Sermat-Harding	
Ministry of Agriculture, Food and Rural Affairs.....	E-141
Hon. Jeff Leal	
Mr. Randy Jackiw	
Dr. Deb Stark	
Mr. Phil Malcolmson	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 25 October 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 25 octobre 2016

*The committee met at 0900 in room 151.*

**The Chair (Ms. Cheri DiNovo):** Good morning, everyone. I assure you that heat is on its way. Good morning, honourable members.

Before we begin, I want to draw your attention to yesterday's order of the House with respect to this committee. As you are aware, we are meeting this morning to resume consideration of the estimates of the Ministry of Energy. However, as per the order of the House, we will meet this afternoon following routine proceedings to begin our review of the estimates of the Ministry of Agriculture, Food and Rural Affairs. We will then resume consideration of the Ministry of Energy tomorrow at 3 p.m., not 3:45 p.m., and are authorized to sit past 6 p.m. until the time allotted for those estimates has finished.

Tomorrow's meeting will be in room 1. Are there any questions?

**Mr. John Yakabuski:** So we'll have to clear our stuff out of here, then, at 10:15. We can't leave it for the afternoon.

**The Chair (Ms. Cheri DiNovo):** Yes.

## MINISTRY OF ENERGY

**The Chair (Ms. Cheri DiNovo):** We are now going to resume consideration of vote 2901 of the estimates of the Ministry of Energy. There is a total of four hours and 26 minutes remaining.

If there are any inquiries from the previous meetings that the minister has responses to, perhaps the information can be distributed by the Clerk. Are there any items, Minister? I believe there were some that were distributed.

**Mr. Serge Imbrogno:** Yes, I believe Mr. Tabuns asked for the Bruce contract and we said we would provide that, as well as the technical briefing that was provided for media and anyone else who showed up.

**The Chair (Ms. Cheri DiNovo):** Okay, thank you.

When the committee last adjourned, the official opposition had 18 minutes left in their round of questions. Mr. Yakabuski, the floor is yours.

**Mr. John Yakabuski:** Good morning, Minister. Today we heard some news stories, and we'd like to talk to you about that. Specifically, that is an accounting error at the IESO that seems to indicate that there's a little over \$80-million discrepancy or shortage found on page 161, volume 2a of public accounts. This is a lot of money.

Last week, you were crowing about a potential \$70-million deal over seven years with the province of Quebec—we're going to be asking you a little more about that too. You were crowing about that \$70-million deal like it was the greatest thing since the invention of the wheel, but we never heard anything about an \$80-million liability with respect to the IESO and an error on pensions that should cost them a little over \$80 million.

Can you tell me why the public would have never been informed of that? You made a big announcement about a deal with Quebec; mum's the word on an \$80-million discrepancy at the IESO with regard to pensions. Was there ever any kind of disclosure on that to the public?

**Hon. Glenn Thibeault:** Thank you for the question. Good morning, Chair. Good morning, everyone. I'm happy to be here to continue the conversation in relation to the Quebec deal—I know you said you're going to ask questions about that so I'm looking forward to having that conversation because it is a pretty exciting deal.

When it comes to the IESO accounting practices—that's what it is: accounting practices, not an error, as you mentioned—this dates back to 2010 when accounting practices changed, and that's in accordance with the expert guidelines. The accounting change had an impact on how their actuarial payments to the pension fund were calculated. In other words, it changed the accounting of their pension needs, often more than a decade into the future.

There's no additional impact to ratepayers. Let me rephrase that: There's no additional impact to ratepayers—accountants determining over which period these payments need to be recovered. I'll hand it off to the deputy to explain those details.

**Mr. Serge Imbrogno:** Sure. Prior to 2011, the IESO—

**The Chair (Ms. Cheri DiNovo):** Excuse me, Deputy, could you just introduce yourself? A new day. Thank you.

**Mr. Serge Imbrogno:** Serge Imbrogno, Deputy Minister of Energy. Prior to 2011, the IESO used GAAP accounting—

**Mr. John Yakabuski:** Used what?

**Mr. Serge Imbrogno:** GAAP accounting: generally accepted accounting principles. In 2011, it was determined that it would be more appropriate for the IESO to use PSAB accounting, Public Sector Accounting Board

standards. So in the adoption of PSAB, there was a change in how that pension liability was reflected in the books. It was in public accounts in 2012-13. They would collect in rates, over a specified period of time, that accumulated deficit that was calculated in 2011. It started at about \$5 million a year; it's down to about \$4 million going forward.

This was publicly disclosed. It has been reviewed by the OEB. As the minister said, these pension liabilities were already accrued by the IESO. It's just a change in the accounting that reflects it on the IESO books.

**Mr. John Yakabuski:** Just a minute, Deputy Minister—and Minister. I appreciate the attempt to answer, but I don't think I got the answer. The minister says there is no impact, and the deputy minister says—

**Hon. Glenn Thibeault:** He said there was no additional impact, and I emphasized that twice. Both times I said that there's no additional impact.

**Mr. John Yakabuski:** Okay, no additional impact. However, the deputy minister says the impact on rates was approximately \$5 million a year at the beginning of the change, down to about \$4 million a year today. So there is an impact on rates. He just said that there's an impact on rates. You can slice it any way you want, but the ratepayers are covering this deficit. If I understand the deputy minister correctly, the electricity ratepayers are paying for this deficit as a result of a change, if you want to call it that, in accounting procedures. It still falls back to the ratepayers. Is that a fair statement?

**Mr. Serge Imbrogno:** These are costs of operating the system, just like salaries and pensions are part of the compensation for employees. All of the IESO costs are recovered through rates. These are one of the costs that the IESO requires to do its business.

**Mr. John Yakabuski:** Yes, I understand that, but I think it needs to be clarified, then. The minister said that there's no additional cost to the ratepayers. There is an additional cost to the ratepayers. There was a change in the accounting that resulted in an approximately \$80-million change, and that does get passed on to the ratepayers. It's already happening, according to your statement, Deputy Minister. That \$80 million will be paid for at some point—if you're talking about \$5 million a year, you're talking 16 years, approximately; \$4 million a year, whatever. However you're doing it over whatever time frame, that is a direct impact on the hydro ratepayer, correct?

**Mr. Serge Imbrogno:** We're trying to distinguish between what was already a pension liability—whether it was through GAAP accounting or PSAB accounting, that pension liability is part of what the IESO would have negotiated and paid to its employees. So there's no additional cost. It is a cost that was always there. It's a difference in accounting and reflecting those costs.

**Mr. John Yakabuski:** If \$80 million means nothing, changes nothing—the electricity ratepayer would have been affected by this, correct? It would have gone through the OEB. The OEB would have had to approve some kind of a rate increase to reflect this \$80-million change.

**Mr. Serge Imbrogno:** The OEB would review that, just as they would have reviewed it under GAAP—probably a timing change rather than collecting those costs over a longer period of time. The PSAB accounting probably, from my perspective, required those costs to be collected over a shorter period of time.

Those costs would have been collected regardless. It's a timing issue. It's more transparent and has been reflected on the IESO books since 2011.

0910

**Mr. John Yakabuski:** It was part of the negotiations, you said.

**Mr. Serge Imbrogno:** The actual pension is always a negotiation—

**Mr. John Yakabuski:** Right, but you don't negotiate nothing.

**Mr. Serge Imbrogno:** —but the accounting isn't a negotiation. It's either GAAP or PSAB, and once you choose one of the two accounting methods, then you account accordingly.

**Mr. John Yakabuski:** Understood, but the amount is still something that the general ratepayer is on the hook for.

**Mr. Serge Imbrogno:** As I said, the pension liabilities, salaries, capital costs are all part of operating the IESO.

**Mr. John Yakabuski:** Understood.

**Mr. Serge Imbrogno:** And those costs are collected from the ratepayers.

**Mr. John Yakabuski:** But this meant that there is a change in the neighbourhood of \$80 million that would have been added to the rate base when that change in accounting procedures took place.

**Mr. Serge Imbrogno:** The liability would have been there. It would have been accounted for differently. You have GAAP accounting and PSAB accounting. It doesn't change the fact that you have the liability. It could change the timing, and when you reflect that and collect—

**Mr. John Yakabuski:** In what mysterious corner of the globe would that \$80 million have resided previously?

**Mr. Serge Imbrogno:** This is a more transparent method. I think that's part of why the IESO went to PSAB accounting.

**Mr. John Yakabuski:** I understand, but numbers just don't get invented. Numbers just don't get invented. There's a financial impact somewhere that is affecting the rate base, affecting the people.

If it was simply a change in how you did the accounting, and the numbers were all the same, then there wouldn't be a number disclosed in public accounts. But there's a number of \$80,617,000 at public accounts. That has to come from somewhere, and it has to apply somewhere.

I know that my friends in the third party have had the same kind of argument with you about accounting procedures in different ministries.

*Interjection.*

**Mr. John Yakabuski:** My colleague is chuckling.

**Mr. Peter Tabuns:** It's a very slippery process.

**Mr. John Yakabuski:** It's always just that, "Well, it's not really any real money. It's just a change in how we handled it." Well, I think the people have a hard time understanding that.

Can we get an actual full disclosure of what would have gone on during those negotiations, and that part of those negotiations would have indicated? You said it was part of negotiations when the change was made. Who decided? Moses didn't come down and say, "You've got to change the way you do accounting." There must have been some agreement between employees and employer. The government, in fact, is the employer at the end of the day. The IESO is an agency of the government, so you guys are the employer. There must have been some decision; there must have been some negotiation; there must have been some give and take that resulted in this.

**Mr. Serge Imbrogno:** The accounting standard would have been a discussion between the IESO and its external accountants. It would have been a discussion with the provincial controllership about what is the appropriate accounting. There was full disclosure when they made the change in 2011 from GAAP to PSAB, and that's fully disclosed, fully explained, in the public accounts.

**Mr. John Yakabuski:** So the money is coming back from ratepayers, this \$80 million. The IESO's application was to get this money back through the ratepayers, according to the public accounts. This \$80 million does have an impact on the hydro ratepayers. Is that correct? Yes? Don't say no; just say yes.

**Mr. Serge Imbrogno:** No, the pension liability—

**Mr. John Yakabuski:** I didn't give you the option of no.

**Mr. Serge Imbrogno:** I think I've said that the pension liability, like other costs of the IESO—part of running the system—is collected through the rate base. The change in accounting—

**Mr. John Yakabuski:** So that would be a yes, then.

**Mr. Serge Imbrogno:** The change in accounting would have only changed the time frame in which that was collected. The liability still would have been there.

**Mr. John Yakabuski:** But that would be a yes, then.

**Mr. Serge Imbrogno:** I think I've answered the question.

**Mr. John Yakabuski:** I don't know if you're capable of saying the word. That would be a yes.

**Mr. Serge Imbrogno:** Yes, I've answered your question.

**Mr. John Yakabuski:** Okay. Well, we can continue—

**The Chair (Ms. Cheri DiNovo):** Mr. Yakabuski, you have just over five minutes.

**Mr. John Yakabuski:** Just over five minutes?

**The Chair (Ms. Cheri DiNovo):** Yes.

**Mr. John Yakabuski:** So \$80 million down to the rate base—and I'll accept yes as an answer. So \$80 million—we'll round it up to \$81 million—going back to the

ratepayers: That has been going on since 2012, then, or 2013, Deputy?

**Mr. Serge Imbrogno:** Effective January 1, 2011.

**Mr. John Yakabuski:** Oh, 2011; pardon me. Thank you. January 1, 2011—we're into it a little over six and a half years, approximately. How long is that process expected to go?

**Mr. Serge Imbrogno:** I would have to check the public accounts, but I thought that it was collected over a certain period of time. I'd have to check the public accounts. I think that there's a disclosure in the notes to the public accounts.

**Mr. John Yakabuski:** But you did say that it started out as \$5 million a year approximately, and it's now approximately \$4 million?

**Mr. Serge Imbrogno:** Roughly. That's my recollection.

**Mr. John Yakabuski:** Is it on a continuously declining scale?

**Mr. Serge Imbrogno:** That I don't know. We'd have to check the public accounts.

**Mr. John Yakabuski:** Right, right.

Just in the last week, we see \$12 million in Ontario Electricity Support Program payments, \$81 million on the IESO pension rejigging—these are all charges that the rate base is responsible for but are essentially actions of the government. Do you feel that those are the kinds of things that we should be—the hydro ratepayer understands that they're paying for electricity. We can debate and we could be here until the cows come home about your decisions on how you generate electricity, but that's not the question right now. These kinds of costs essentially are decisions of the government that have absolutely nothing to do with the generation or distribution of electricity—nothing to do with it.

I'm saying this to the minister, Deputy, or asking this of the minister: Do you really think that those are the kinds of things that families in Ontario, who are making choices between heating and eating, wondering if they can stay in their own homes—and you would have been aware of some of the testimony at the Bill 13 public hearings on how difficult it is for people. You've acknowledged that now—belatedly, but you have acknowledged it. Do you really think that it is right to saddle these beleaguered people with those kinds of changes?

When that decision on the pension changes was made, somebody had to make that change, and they knew then—and I suspect that your ministry would have been deeply involved in that. When they made those decisions, they would have known that that impact was going to go back to the rate base, that that \$81 million was going back to the people. Do you feel that that is the right way to treat the beleaguered electricity ratepayer in this province, who has been way too patient over the last number of years but has reached the point of having had enough? Is that the right way to treat them?

**Hon. Glenn Thibeault:** Making sure that we have a reliable system, a clean system and a safe system for the

province is paramount for the government, and making sure that you have good people in those positions to make sure that the system stays reliable is key. Part of the IESO is a unionized environment. As part of the unionized environment, they're offering pensions to their employees. Part of that means that they have to ensure that these employees get paid their pensions. As the deputy was speaking to—he can, I'm sure, try to answer your question again—

**Mr. John Yakabuski:** But my question is, do you feel that it is right—

**Hon. Glenn Thibeault:** No, no; I'm continuing to answer your question—

**The Chair (Ms. Cheri DiNovo):** One at a time, please.

**Hon. Glenn Thibeault:** The importance of understanding that these workers who do work and do a good job at it have a pension is key. When it comes to the OESP program, there's a budget of \$225 million put aside to help those families that you and I agree are having—some are having a difficult time. We have 145,000 families on there right now, 14,000 approximately a month that are signing up, and those start-up costs were justified to make sure that we have this program on an ongoing basis.

0920

In relation to the importance of making sure that the employees and the IESO meet their pension obligations, I think the deputy has been explaining that. If there's anything that you would like to add to that, I'd hand it over to the deputy.

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Minister, you are out of time now.

It's time now to move to the third party: Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Madam Chair. Good morning, Minister and Deputy Minister. Let me give you a little bit of preamble, and then I have a few questions about Hydro One.

When Hydro One left the payments-in-lieu system and entered the corporate income tax system, it received a deferred tax benefit. I had a chance to discuss this with your predecessor at length in the last round of estimates. According to public accounts, the benefits were \$2.8 billion, equal to about 20% of Hydro One's current market value. It's a big chunk of cash. It would make a huge difference in people's hydro rates.

In chapter 7 of the Ontario Energy Board's handbook on electricity distribution rates, we see that the OEB precedent holds that ratepayers should receive this benefit through lower hydro rates. But in its current rate increase application, Hydro One is demanding to keep this benefit for its investors. It insists that the precedent that I've cited shouldn't apply to Hydro One. It really should know better, because we went through this in estimates last year. The IPO stated that there was no guarantee that shareholders would get to keep the benefit, the \$2.8 billion, and they were warned very clearly that they might not.

If Hydro One gets to keep this deferred tax benefit, Ontario ratepayers will lose yet again but Hydro One's

investors will get an unearned \$2.8-billion windfall. Does the government agree with the OEB precedent that says that ratepayers should keep this benefit and not Hydro One investors?

**Hon. Glenn Thibeault:** The deputy has been addressing that.

**Mr. Serge Imbrogno:** Mr. Tabuns, you know that this is before the OEB right now.

**Mr. Peter Tabuns:** Oh, yes.

**Mr. Serge Imbrogno:** The OEB, as a quasi-judicial, independent regulator, will make that decision. There are proponents that are at the OEB providing their advice, one way or the other, and I think it is rightly up to the OEB to decide. There are precedents that go both ways in terms of how that could go, so we've left it to the OEB. It's the appropriate place to make that determination.

**Mr. Peter Tabuns:** And you're aware that, in the past, ministers have issued directives to the OEB on the interpretation of their tasks? Back in 2000, the Minister of Energy sent a directive to the OEB saying that when it comes to municipal distribution companies, the interests of the ratepayers should be first and foremost in their considerations when they make a decision. Are you prepared to issue a directive to the OEB stating that the interests of the ratepayers should be first and foremost in addressing this decision?

**Hon. Glenn Thibeault:** I believe that's already their mandate—having the ratepayers in mind on any decision. I believe that's their mandate.

**Mr. Peter Tabuns:** No, I'll just differ with you there. Will you tell them that, first and foremost, the ratepayers are their priority, that they are the head of the line and behind them in the line are the investors? Because we have a very substantial amount of money here. It would make a difference to the rates people pay to Hydro One, in the areas covered by their distribution, for a number of years. There seems to be some confusion. Will you clarify to the OEB that ratepayers come first and investors come second when they're making this assessment—in a ministerial directive?

**Hon. Glenn Thibeault:** As I think the deputy has mentioned, the OEB is considering this right now. They are quasi-judicial and they are at arm's length from the government. In my opinion, they have the ratepayers' best interests at heart. That is their mandate, and we'll see what the decision will be as it comes forward from the OEB.

**Mr. Peter Tabuns:** This government hasn't had difficulty telling the OEB what its job is in the past. When smart meters came forward, the OEB was simply directed to make it happen and not to actually assess the impact on rates and the electricity structure: "Just set aside your normal process of looking at these matters. Facilitate the smart meters." I think that's the most overt case.

Frankly, Minister, you set the context within which they operate. You tell them what their priorities are. You're in a position to reinforce to them "ratepayers first; investors second." Will you give them that directive,

setting the context within which they will make this decision?

**Hon. Glenn Thibeault:** I think I answered that question previously. But in relation to the smart meters, I don't have the context.

Deputy, would you be able to address that, please?

**Mr. Serge Imbrogno:** I think there are various instruments that we use to get advice from the OEB. Section 35 allows the minister to ask the OEB for advice. We've done that in various initiatives, most recently Energy East. We asked the OEB to undertake a consultation process and report back to the minister on the OESP. Through section 35, we've asked the OEB to provide advice on setting up a program. Those are instruments that we use for the OEB to provide us advice.

For this particular one, this is really—part of the OEB's mandate is to look at these issues where they have to balance ratepayer, commercial and other priorities. That's what the OEB does. It's there to balance all these competing priorities and they have the expertise to do that. I think the minister is saying that it's properly placed with the OEB to make a judgment on the rate case before them.

**Mr. Peter Tabuns:** I'll just submit to you that the minister has the right and the power to issue directives to shape the context within which decisions are made. Ministers have done it in the past—directed the OEB to follow a line of interpretation when it comes to its rules—and you're in a position to do the same.

You appear to be declining to give the OEB instructions as to how it is to interpret the interests of ratepayers and investors. That's another matter. I understand that you're not going to be doing that, but I think, frankly, Minister, that's a dereliction of duty, because you could have a huge impact on rates in rural and northern Ontario by making sure that the OEB understands what its instructions are and how it's supposed to operate. You passed on an opportunity there.

Is it possible that because you're looking at selling another 30% of Hydro One over the next year or so, you're reluctant to tell the OEB to interpret its rules in a way that favours ratepayers?

**Hon. Glenn Thibeault:** As mentioned, I have full confidence that the OEB has the best interests of ratepayers in its mandate, and so as a quasi-judicial regulator within the province, I will ensure that they have the opportunities to act in the best interests of ratepayers. We'll leave it at that.

**Mr. Peter Tabuns:** Well, we will soon see if your faith is going to be upheld.

On another matter, but also related to Hydro One: On pages 90 and 91 of your estimates book, you have an item here—this is "Strategic Asset Management." You're allocating money for services. As I understand it, this category supports the province as shareholder of Hydro One.

In the 2015-16 estimates, you had the \$2.6 billion that you gave to Hydro One as a gift so they could pay their departure tax, the subject of my last few questions. You

allocated \$63 million in services; you only spent \$52 million.

In the year to come, in 2016-17, you've allocated \$70 million in services to manage your relationship with Hydro One. What is this money actually going to do?

**Hon. Glenn Thibeault:** I'll refer that to the deputy.

**Mr. Serge Imbrogno:** This would pay for any secondary offerings, whether it be the cost to the investment bankers or the cost to the legal advisers. These are outside costs that the province would incur as it moves forward with any additional tranches of shares.

0930

**Mr. Peter Tabuns:** This is what you budgeted to facilitate the sale of the next tranche?

**Mr. Serge Imbrogno:** That's correct.

**Mr. Peter Tabuns:** It cost us \$52 million to sell 30% so far?

**Mr. Serge Imbrogno:** Yes, that's correct.

**Mr. Peter Tabuns:** You're expecting to spend \$70 million to sell the next 30%?

**Mr. Serge Imbrogno:** It's an estimate. If we don't spend it, then obviously that would go back to the CRF. It is a guesstimate at this point based on previous experience.

**Mr. Peter Tabuns:** Why this big increase in cost to sell off this asset?

**Mr. Serge Imbrogno:** I don't think there's a big increase in cost. I think it was just a—

**Mr. Peter Tabuns:** From \$52 million to \$70 million—18 million bucks. That's of consequence.

**Mr. Serge Imbrogno:** I don't think we're expecting to necessarily spend that full \$70 million, but it is there in case we need it. We only spend what we need at the point if there's a decision made to move forward.

**Mr. Peter Tabuns:** It's very pricey help for that.

Okay. Energy efficiency: According to a report prepared by Nexant for the IESO, energy conservation and efficiency investments "can cost-effectively reduce the province's total electricity consumption by 31% by 2035. The report also finds that if Ontario pursues all of these cost-effective energy efficiency investment opportunities, we will realize a \$1.4-billion net reduction in our electricity bills.

"On the other hand, if the IESO's annual energy efficiency savings procurement budget remains at its current planned levels, Ontario's electricity consumption will be reduced by only 12% by 2035 and our net" reductions in bills will be commensurately smaller.

Will the minister direct the IESO and give them the needed budget to pursue all of the energy savings that are on the table?

**Hon. Glenn Thibeault:** Thanks for the question. Conservation is key for this government. It's the cleanest, most cost-effective energy resource that we have, and you allude to that in your question, the importance of us having conservation. For every dollar that is invested in conservation, Ontarians avoid about \$2 in system costs.

When it comes to the IESO, I know they have many programs that relate to conservation. I've been able to

participate in quite a few of these conservation programs, one of them the Save on Energy program. We've done quite a few events with that—savings for the industry, savings for the ratepayer and savings in conservation.

The specifics of all of the IESO programs that are available: Deputy, I think you'd be able to speak to those.

**Mr. Serge Imbrogno:** I think part of what the IESO does is it undertakes a very rigorous evaluation and measurement process for determining what the appropriate amount to spend on conservation is as they go forward. They do that rigorous approach and they come up with their estimate of what, over the course of a 20-year planning period, they think is a cost-benefit study of conservation.

We are about to launch our next long-term energy plan. That's an opportunity for us to look again at conservation, look again at how conservation links in with our cap-and-trade action plan. There are more proceeds available to fund different types of conservation efficiency initiatives.

**Mr. Peter Tabuns:** Deputy Minister, I think I understand your answer. But the question for me is: If conservation first is your watchword, then why would we not take all the cost-effective options that are on the table to reduce our consumption? The IESO paid for a study. I'm sure they paid a fairly good dollar. They hired someone competent. They identified the scale of savings that are there. You just told me that for every dollar we put in, we get \$2 back.

Why don't we go for the max on this? Why are you not directing the IESO to go to the absolute max of what has been identified as cost-effective savings? I'm sure there are things that are not cost-effective. I'm just saying: Why aren't we going for the max of cost-effective savings?

**Mr. Serge Imbrogno:** I think that is the intent, to go for all cost-effective conservation. I think that the opportunity to change things, to add more conservation, is through our long-term energy plan process that we've just started. That gives us the opportunity to re-look at any new programs that might come about and also look at how it links in with the cap-and-trade action plan as well—and additional proceeds that are available that could fund additional conservation.

**Mr. Peter Tabuns:** But you've already said, a number of times, conservation first. So I'm assuming that your long-term energy plan will be shaped by that. Is that a fair assumption?

**Mr. Serge Imbrogno:** That's one of the priorities. There are five priorities that we need to balance, and conservation is one of the five priorities.

**Mr. Peter Tabuns:** When you say "conservation first," I sort of think it's at the head of the line, and other things will be assessed in relation to it. Are you planning to maximize the cost-effective efficiency opportunities that are before us? Will you be taking advantage of the savings identified by this IESO study to maximize conservation?

**The Chair (Ms. Cheri DiNovo):** Mr. Tabuns, you have just over four minutes left.

**Mr. Peter Tabuns:** Thank you.

**Mr. Serge Imbrogno:** I think our intent has always been, through the IESO, to do all cost-effective conservation. I don't want to get into semantics about economic versus cost-effective, but that is the intent. I'm just saying that there are other things that are in play now with the cap-and-trade action plan that might increase the amount of conservation funding through other expenditures.

**Mr. Peter Tabuns:** Okay. In assessing the need for refurbishments, Pickering life extension, or renewal of contracts for gas-fired non-utility generators, did your ministry first look to see if the supply needs could be met using conservation?

**Mr. Serge Imbrogno:** I think the IESO would review both on a cost-effective basis and on what each of those different options provide you. With generation, that gives you not just the supply of electricity but different benefits as well. It's hard to compare conservation straight up with generation facilities. I think there's some savings on the energy side, but there's also a need for capacity, a need to support the system with voltage. So it's hard to compare conservation directly with keeping the system going and running generation facilities.

**Mr. Peter Tabuns:** Deputy Minister, in each of these cases—and I'm talking about supply options—did you do a business case analysis to see whether or not the need could be better met through conservation? If you did, can you show us those reports that compared conservation to investing in new supply?

**Mr. Serge Imbrogno:** Well, when OPG went before the OEB, they would have submitted the cost-benefit case that the IESO would have performed on the Pickering life extension, where they showed a \$600-million net benefit of proceeding with Pickering. So that's before the OEB, and that information is available for you to review.

**Mr. Peter Tabuns:** I'm assuming, then, that they compared the Pickering life extension to the conservation option and said that we need the extension rather than conservation. Is that what I should assume from what you've said?

**Mr. Serge Imbrogno:** I'm not saying that they would have done a direct comparison to conservation. They would have done a direct comparison of what is the system benefit of extending Pickering.

**Mr. Peter Tabuns:** And why would you not—

**Mr. Serge Imbrogno:** They would have determined that it was a \$600-million net benefit.

**Mr. Peter Tabuns:** And if you think that conservation is first, why would you not have at least done the comparison to conservation when you made a decision about the life extension?

**Mr. Serge Imbrogno:** I don't want to speak for the IESO. It would be in their analysis. They would look at all options, and they would have determined that this was the most economic option.

**Mr. Peter Tabuns:** Can we have a copy of that analysis showing that conservation was not the most economic option when it came to that life extension?

**Mr. Serge Imbrogno:** The analysis that the IESO did is with the OEB. It's part of the submission for the OEB.

**Mr. Peter Tabuns:** Can you identify that document for us so that we could actually review it and see if conservation was considered?

**Mr. Serge Imbrogno:** It is with the OEB. It's publicly available.

**Mr. Peter Tabuns:** But you are the Deputy Minister of Energy. Your knowledge and reach are legendary. So could you tell us or give us the document in which it shows that conservation was considered?

**Mr. Serge Imbrogno:** I can give you the document that's before the OEB. I can go on the public OEB website and provide that to you.

0940

**Mr. Peter Tabuns:** And you could pick out the particular document? Because these are often quite large batches of documents.

**Mr. Serge Imbrogno:** I could pick out the document that was provided to the OEB.

**Mr. Peter Tabuns:** That would be wonderful. That's taken down as an undertaking? Okay.

**The Chair (Ms. Cheri DiNovo):** Thirty seconds.

**Mr. Peter Tabuns:** Thirty seconds.

I'll be asking about the announcement that you were going to continue with the life extension of Pickering even though it appears that the business analysis for the life extension had not yet been done when you made your announcement last December. I'm curious as to why you made an announcement before all the business assessment had been carried out.

**Hon. Glenn Thibeault:** In 10 seconds?

**The Chair (Ms. Cheri DiNovo):** Five. Okay, that's it. Perhaps we can hold that.

We now move to the government side: Mr. Delaney.

**Mr. John Yakabuski:** Oh, I thought Arthur was going to tell us a story—

**Mr. Bob Delaney:** Of course, we are certainly pleased to see that our colleagues opposite are interested in our stories because—

**Mr. John Yakabuski:** Do you have a story?

**Mr. Bob Delaney:** Do I have a story? I have lots of stories.

**The Chair (Ms. Cheri DiNovo):** Could you speak to the Chair, Mr. Delaney?

**Mr. Bob Delaney:** Perhaps, Chair, we can start with a story. Minister, I want to talk to you about something that, when we're speaking about energy, particularly in the manner in which we manage it, is absolutely vital and is something I know that you can discuss in some detail: codes, standards and practices.

If we look at our homes, try to imagine if every maker of every appliance had to invent how many volts and how much current would go through it. It would just be madness. About the only way that we can efficiently and effectively ensure the safety, the security and the universality of our system is by a very broad range of codes, standards and practices, which is one that requires a great

many skilled people to not merely develop but also to maintain.

Codes, standards and practices are a part of just about everything we do, whether we're talking about the transmission of high-voltage electricity over great distances, or how we step it down, or the equipment that we install in our substations, right down to the substances that we incorporate in the making of our wires and the way in which power is transmitted and managed from the electrical box in our homes. Codes, standards and practices, for example, come right down to the fuses that you put into your fuse box. Codes, standards and practices are things that manufacturers depend on when their engineers are developing something that uses electricity as a means of powering it.

One of the areas that I think this committee does need to explore is the efforts that our ministry puts into energy efficiency codes and standards, which are every bit as important as those that the manufacturers and distributors use.

One of the reasons that I'm very interested in this is because most of the major appliance manufacturers are based in northwest Mississauga. They'll sit down with me and discuss this, in their office or in mine, at great length because, for them, keeping codes, standards and practices up to date is something that's absolutely vital. As technology changes and as the manufacturers get better at what they do, one of the things that's incumbent on both sides is to ensure that not merely the equipment standards but also those standards on which we ask them to measure and maintain energy efficiency remain current with the state of the art in the type of equipment that they can make.

For example, many of my appliance manufacturers will tell me that if you've got a fridge or a dryer in your home that's older than 12 or 15 years, you've probably got something where you can make a solid case to replace that particular appliance with a newer one because the energy savings all by themselves would be sufficient to justify the investment in the new appliance.

We've discussed in the House the degree to which the ancient old beer fridge that you've had forever probably is not saving you anything and indeed is probably costing you something. Before a lot of this was something that people talked about, I can remember that in one of my first campaigns I was looking for a place to just keep cold drinks because we'd begun the campaign in the summertime. I called up a friend of mine, and I was just casting around to see what I could get without having to invest some of our precious resources, and he said, "Okay. I've got a fridge I can give you." I said, "That's great," and he said, "But there's just one condition." I said, "What's that?" He said, "You've got to promise not to give it back." I said okay. We brought over a couple of pretty strong guys, and the lot of us gently picked it up out of the basement, hauled it up a couple of flights of stairs and brought it over to the office and set it up. Throughout those few weeks when we were actively campaigning, it was great because we had a place we could store some-

thing. Of course, most of the people who were in the office liked the fact that they could pick up cold soft drinks and we could store food for the next day. After it was all over, of course we just abandoned the appliance in the office.

I saw him several months later, and I said, "Did you actually replace it?" He said, "Yeah, we cascaded the upstairs fridge, which was seven years old, downstairs and we bought a brand new fridge upstairs." He said, "One of the first things I noticed was that my electricity bill had dropped because I had the old fridge that was no longer consuming a lot of power and now I could enjoy the savings on a new fridge."

I know that there have been some recent changes to Ontario's energy efficiency regulations, and I just want to give perhaps the ministry a little bit of time to discuss the roles that energy efficiency codes and standards play in our conservation efforts. I may wish to pick some of this up. In particular, would you tell me where in the spectrum of the other North American jurisdictions Ontario may stand when we talk about energy efficiency codes and standards?

**Hon. Glenn Thibeault:** Thanks, PA Delaney, on that question. I think it's important for us to highlight a couple of things in this. First off, when it comes to regulating products, Ontario regulates more products than any other jurisdiction in Canada and has some of the most stringent efficiency requirements in Canada for a number of products, such as residential appliances, lighting products and some HVAC and water heating products.

I also think it's important to note that we played a very pivotal role in the Canadian Energy Strategy. We co-chaired the energy efficiency working group established at the EMMC, the Energy and Mines Ministers' Conference. It's important for us to be proud of the work that we've done when it comes to energy efficiency codes and standards and the importance that they play in our conservation efforts.

Maybe, Deputy, you can talk to some of those specifics.

**Mr. Serge Imbrogno:** Sure. I'm going to ask Kaili Sermat-Harding, the ADM of our conservation division, to come up and say a few words as well.

As the minister mentioned, improving energy efficiency products and building standards represents a significant portion of Ontario's long-term conservation targets. In terms of our building code, it's considered one of the strongest in Canada in supporting energy efficiency. Ontario continues to lead in regulating the energy efficiency of products and appliances. We regulate over 80 products—more products than the federal government or any other province.

0950

The minister has talked about our work at EMMC and leading other provinces and, I think, encouraging other provinces to follow Ontario's lead.

I'll hand it over to Kaili to talk in a bit more detail about the work that the ministry does in this area.

**Ms. Kaili Sermat-Harding:** My name is Kaili Sermat-Harding. I'm the assistant deputy minister in the

Ministry of Energy's conservation and renewable energy division.

As the minister and the deputy minister have noted, improving the energy efficiency of products and buildings represents a significant portion of Ontario's long-term conservation targets. I'm very pleased to have the opportunity to provide some further details about the importance of codes and standards in Ontario, how our efforts compare with other North American jurisdictions, and about our work with other provinces, territories and the federal government to encourage and support harmonization of standards.

Energy efficiency regulations are a widely used tool to set minimum energy performance standards for energy-using products in order to remove the least-efficient products from the market. Setting a minimum efficiency performance standard ensures that efficiency improvements are incorporated into all new products. Minimum energy performance standards help reduce costs for energy-efficient technologies through economies of scale, ensuring that higher-efficiency products become more widely available and affordable, and enabling more consumers to benefit from advances in product performance and design. For example, because of minimum energy performance standards, all new refrigerators use high-efficiency motors and compressors, better insulation and improved heat exchangers. As a result, these products use 70% less energy than refrigerators manufactured in the 1970s, have achieved efficiency improvements of 225%, and cost only a third of the price, even though the average size is larger than in the 1970s.

Typically, the products we look to regulate are already established in the marketplace, often as a result of programs designed to encourage their adoption. As new technologies and products become established in the market, minimum energy performance standards are developed to clean out lagging products and lock in energy savings through product efficiency regulation.

Codes and standards are important in Ontario because they encourage market transformation, stimulate innovation and accelerate market penetration through conservation programs. They help to make conservation targets. Codes and standards will continue to make a significant contribution towards meeting Ontario's long-term conservation target. They reduce consumers' energy bills.

Energy efficiency regulations help consumers save energy costs and expand the range of energy-efficient choices available to customers. And they support Ontario's climate change action plan as well as objectives of the First Ministers meeting on the pan-Canadian framework related to the built environment.

In the 2013 long-term energy plan, the government committed to continue to show leadership in establishing minimum efficiency requirements for products, to help consumers choose the most efficient products for their homes and businesses.

The Energy Statute Law Amendment Act, which came into force on July 1, 2016, amended the Green Energy Act to enable regulating the water efficiency of products

and appliances that consume both energy and water. Setting water efficiency standards for products and appliances that consume both energy and water decreases water consumption, thereby further reducing the use of energy for the purpose of processing and distributing potable water and waste water, and further reducing greenhouse gas emissions.

Most of Ontario's energy-efficiency standards for products and appliances are harmonized and/or aligned with the efficiency standards of leading North American jurisdictions, such as the US Department of Energy.

As the minister and deputy have both noted previously, Ontario regulates over 80 products—more products than any other jurisdiction in Canada—including through Natural Resources Canada. We do this through Ontario regulation 404/12, Energy Efficiency—Appliances and Products, under the Green Energy Act. The regulation includes products using electricity, gas and oil for residential, commercial and industrial use, and in a wide range of product categories. For example, Ontario regulates a number of products found in homes, including gas and electric ranges; clothes washers and dryers; dishwashers; dehumidifiers; refrigerators and freezers; wine chillers; drinking water coolers; microwave ovens; furnace fans; gas, oil and electric water heaters, furnaces and boilers; gas and oil swimming pool heaters; gas room, floor and wall heaters; air conditioners and heat pumps; ceiling fans; light bulbs; electronic products; thermostats; and windows.

Ontario also regulates a wide range of products used by businesses and industrial customers, including lighting products; gas, oil and electric water heaters; furnaces and boilers; air conditioners and heat pumps; geothermal heat pumps; water chillers; ice makers; vending machines; refrigeration equipment; roadway lighting; exit signs; traffic signal modules; and motors and transformers.

So how does Ontario implement new minimum energy performance standards? To begin with, the ministry has developed over the years considerable expertise in this area and has staff dedicated to undertaking the research, analysis and stakeholder engagement necessary to be able to identify recommended amendments. To this end, efficiency levels for new and existing products are developed through extensive industry and stakeholder consultation. This includes ongoing informal and formal communication with industry and other interested parties who provide valuable input on proposed regulatory changes.

Of course, formal consultation through the environmental and regulatory registries is an integral part of this consultation process. The ministry typically posts proposed regulatory amendments to the environmental and regulatory registries for a 45-day public review period. This provides stakeholders with an opportunity to provide detailed feedback and identify any potential barriers that proposed efficiency standards may have on product manufacturers or retailers.

**The Chair (Ms. Cheri DiNovo):** Mr. Delaney, you have just over four minutes left.

**Ms. Kaili Sermat-Harding:** To complement the postings, over 100 organizations and individuals are generally notified of proposed changes to Ontario's energy efficiency regulation. All comments received are reviewed and carefully considered for ministry staff in order to make final recommendations for proposed amendments.

To support the registry postings, ministry staff will also organize in-person meetings and/or webinars with key stakeholders to further discuss and clarify proposed amendments. Stakeholders that provided valuable input and made significant contributions to the most recent amendments included industry associations, manufacturers and organizations such as the Canadian Institute of Plumbing and Heating, the Heating, Refrigeration and Air Conditioning Institute, the Association of Home Appliance Manufacturers, Electro-Federation Canada and the Toronto Atmospheric Fund.

Going forward, the ministry will continue to build on these relationships and engage with stakeholders as new proposals are developed. It's also important to note that the US Department of Energy and NRCan and other jurisdictions regulating energy efficiency also hold extensive consultations and conduct detailed reviews with stakeholders as part of their own requirements. This means that for standards aligned with other jurisdictions, Ontario's proposals would also be supported through consultation processes undertaken by these other jurisdictions.

Ontario is currently working on the next amendment to its energy efficiency regulation, including proposed water efficiency standards for products that consume both energy and water.

So where does Ontario stand in this area versus other North American jurisdictions? Ontario was the first jurisdiction in Canada to regulate product efficiency, with the first regulation filed over 25 years ago. At over 80 products, Ontario regulates more products than any other jurisdiction in Canada and has the most stringent efficiency requirements in Canada for a number of products.

Provinces are responsible for regulating products manufactured and sold or leased within their provinces. Currently, five other Canadian provinces have provincial energy efficiency legislation or regulation, including British Columbia, which currently regulates around 50 products; Nova Scotia; New Brunswick; Quebec and Manitoba.

Natural Resources Canada established the Energy Efficiency Act in 1992 and started to regulate products in 1995, and currently over 50 product categories are regulated by NRCan. Canada's federal regulation does not take precedence over provincial regulation for locally manufactured and sold products. NRCan is responsible for imports of products and interprovincial trade or movements of these products.

The North American market is highly integrated and Ontario's energy performance requirements for many products are aligned with regulations of the US Department of Energy.

California is recognized as the leader in regulating the energy efficiency of products and appliances and regulates a number of energy-using products in addition to products regulated by the US Department of Energy and typically sets the most advanced minimum efficiency performance standards that will gradually be endorsed by other jurisdictions.

In April 2016, NRCAN announced that two key regulatory documents related to Canada's energy efficiency regulations were published in the Canada Gazette, part I. NRCAN's policy is to support the Canada-US Regulatory Cooperation Council and update and align efficiency requirements with the US Department of Energy's requirements where appropriate.

The Ministry of Energy continues to work with and monitor NRCAN's commitments to update and improve energy efficiency standards and codes for products, buildings and industry, and move forward with updates to its energy efficiency regulation for products and appliances that would harmonize efficiency standards with leading jurisdictions such as the US Department of Energy and Ontario.

Both the minister and deputy minister noted our efforts related to working with other provinces and territories as well as the federal government. Ontario actively participated in co-chairing energy efficiency working groups established to support the commitments made by the Council of the Federation in the Canadian Energy Strategy, and by the Energy and Mines Ministers' Conference to advance energy efficiency retrofits efforts in Canada.

The CES and the EMMC were engaged in complementary work to develop a common standards framework to support national harmonization and consistency of efficiency standards while recognizing regional considerations.

The 2015 CES directed provinces and territories to work collaboratively to improve energy performance standards to drive efficiency improvements. In July 2016, premiers met for the 2016 Council of the Federation in Whitehorse—

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Mr. Delaney and the government side, that time is up.

Yes, Minister?

**Hon. Glenn Thibeault:** Can I just request a five-minute break, please, Chair?

**The Chair (Ms. Cheri DiNovo):** Yes, absolutely. Is that agreed on by the rest of the committee? Okay, five minutes. We'll reconvene at five past 10.

*The committee recessed from 1001 to 1005.*

**The Chair (Ms. Cheri DiNovo):** Welcome back, everyone.

We now move to the official opposition: Mr. Yakabuski.

**Mr. John Yakabuski:** Thank you very much, Chair, and thank you, Minister.

We were talking earlier about the pension. You never did quite answer as to whether you thought that was a good deal for the consumers or not, but I'm not even going to ask that again because I don't want a long-winded non-answer.

Perhaps the legendary deputy minister would have something to say about it. I'm humbled because I didn't realize that I was in the presence of a legend, but now I'll have to take note of that, and I appreciate the critic from the third party for pointing that out to me.

I want to talk about the Quebec deal—we don't have a lot of time, and I'll probably get back into that when we come again as well. So there was this big announcement on Friday. The announcement was Friday, but we knew about it on Thursday, maybe later in the day, that it was coming. There are so many important parts of an energy deal between two jurisdictions—two provinces, in this case. I think that the public has the right to know all of the details. I know that the Premier said on Friday that they wouldn't be releasing the details of it.

Here are some of the concerns that I have when you take that position: You can't just say, "We've got a potential of a two-terawatts"—is that two terawatts per year?

**Hon. Glenn Thibeault:** Yes.

**Mr. John Yakabuski:**—"two-terawatts-per-year deal between Ontario and Quebec." We need to know when that power would be purchased, under what circumstances—it just can't be at the whim; there have to be certain things that would trigger that power from coming over. Obviously, we don't want the power when we don't need it, which is a challenge for us if we've got capacity of our own.

Also, I vehemently disagree that we can't know the terms of the deal when it comes to price. These are two provinces; this is not Company XYZ who has proprietary corporate secrets that they don't want revealed. These are two provinces, representing the public, the people, the voters. Every voter in Quebec and Ontario has the right to know all of the details of that deal. Nothing should be off the table. Nothing should be behind the curtain. These are governments; these are not companies. These are governments, and there should be nothing of those deals that is not fully disclosed—certainly, the price and what triggers the price. Is the price consistent? Is the price always the same when the electricity is purchased?

The other more concerning issue is that we're going buy two terawatts of electricity—who's getting shut down in Ontario? What Ontario generators that currently are supplying that electricity will not be supplying electricity under those circumstances?

You talk about reducing the amount of natural gas generation in the system. I don't get it. You're making this deal to reduce that, yet you've got two unfinished gas plants that you're paying \$1 billion in contracts to build. They haven't even hit the system yet. You've got a long-term energy plan about which you're in consultations, and you're signing an energy agreement in the middle of that process.

A multitude of questions as to what prompted this—or is it just another political announcement, ironically and, I'm sure, totally coincidentally on the day that the by-election was called in Ottawa–Vanier?

But I think that we need to know all of those details, and we definitely need to know what Ontario generation

will be shut down and what the impact of that is. Is it going to be with gas companies that have a standby contract as well? Because then you are going to be paying for electricity that is not generated, as well as for electricity that is generated from the province of Quebec.

There are so many unanswered questions here that there is no possible way that you can talk to the people of Ontario and say, "It's a potential deal that could trade up to two terawatts a year and could result in savings of \$70 million over the term of the contract, which is seven years." Seven years, correct?

1010

**Hon. Glenn Thibeault:** It is seven years.

**Mr. John Yakabuski:** Seven years, so \$10 million a year on average, but we don't know whether it could be \$20 million one year and none the next, or we could lose \$1 million the next, because we don't know the details. That's the potential.

How can we actually even come to that conclusion or agree with those numbers ourselves if we don't have the details of the contracts? I don't know how you can possibly sit there as the minister and how the Premier could stand behind that podium or at that dais with Premier Couillard and say that we can't disclose the information with respect to that contract. I wouldn't be able to find a single ratepayer in this province that would agree with that position by your government, the Premier and yourself.

I will ask you here today: Will you provide the details, all of the details of that contract that you've signed with the province of Quebec so that the people can judge, we in opposition can judge, and the media and those energy analysts whose job it is to look at these things to see whether we're getting a fair deal? Also, answer whether or not this contract would be governed under the Auditor General as to whether or not it would be subject to a value-for-money audit by the Auditor General herself.

I ask as an undertaking to provide the details and answer whether or not this would be subject to a value-for-money audit by the Auditor General. If you want to provide the details of that contract today, or undertake to do that, that would be wonderful.

**Hon. Glenn Thibeault:** Well, I'm happy to provide you details of this landmark agreement that, as we said, was seven years. Of course, I know you're talking specifically about one piece of this landmark agreement, which is that we're going to import two terawatt hours of clean hydro power from Quebec.

We've talked about this—just the two-terawatt piece—and you mentioned it as well in your question, that it's about \$70 million in savings over seven years, about \$10 million. When you say what it's going to target, it's going to offset the reliance that we have on many of our natural gas peaking plants, which will actually reduce our GHGs by one million tonnes each year.

The two other pieces that are also in this—and I know the deputy will want to come in with some of the details, but as an additional part of this agreement, Quebec has agreed to store up to 500 gigawatt hours of our power

produced in Ontario each night when it is actually produced cheaply, and return that power during the day when Ontarians need it most, because as I'm sure you're well aware, MPP Yakabuski, we are a summer-peaking province and Quebec is a winter-peaking province.

The third part—

**Mr. John Yakabuski:** We'd like to peek at the details of that contract.

**Hon. Glenn Thibeault:** The third part of this landmark deal is that the capacity swap that we had in place with Quebec previously will continue, and then we will provide Quebec with 500 gigawatts of power when they need it as well in their peaking period.

Those are three very, very important things that we were able to sign in this agreement. It is something that we've been in negotiations about for three years, and it's something we're very proud of.

**Mr. John Yakabuski:** Will you release the contract?

**Hon. Glenn Thibeault:** Deputy, do you want to get into some of the specifics, the details that the MPP was asking for?

**Mr. John Yakabuski:** With respect, Minister, I'm just about out of time here. Those details were publicized already. Everything that you've said is part of the—

**Hon. Glenn Thibeault:** You just asked me about the one piece. I included two others, and the deputy can give you more information.

**Mr. John Yakabuski:** But will you release all of the details? Will you release the contract, make the contract public, as you did today for Mr. Tabuns with the contract for the refurbishments at Bruce nuclear?

**Hon. Glenn Thibeault:** Well, you haven't even given us an opportunity to give you all the details, so let us answer your question and then we can go from there.

**Mr. John Yakabuski:** No, no. Could you release the contract? Could you release the contract, as you did for Mr. Tabuns with Bruce Power?

**Hon. Glenn Thibeault:** I'm more than happy to have the deputy explain the details.

**Mr. John Yakabuski:** No. Would you release it? I don't want you to tell me what you want me to hear. I want the release of the contract. Will you release the contract so we can see it first-hand? We don't have to spend any more time talking about it then. Just tell me that you'll give me the contract—not me; "me" as in the people of Ontario.

**Mr. Serge Imbrogno:** I'll respond to your question. As the minister said, there is the agreement in place. It was signed by the two Premiers and the ministers. That agreement will be turned into—

**The Chair (Ms. Cheri DiNovo):** I am afraid that is it for this morning. We are recessed until this afternoon—as a committee; the minister is back tomorrow.

*The committee recessed from 1015 to 1602.*

#### MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Good afternoon. Pursuant to the order of the House dated October 24,

2016, the committee is about to begin its consideration of the estimates of the Ministry of Agriculture, Food and Rural Affairs for a total of seven hours and 30 minutes.

As we have some new members, a new ministry and a new minister before the committee, I would like to take this opportunity to remind everyone that the purpose of estimates is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

I would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant to the estimates of the ministry; and the ministry, for its part, demonstrates openness in providing information requested by the committee.

As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee to ensure they are confident the ministry will spend those dollars appropriately. In the past, members have asked questions about the delivery of similar programs in previous fiscal years, about the policy framework that supports a ministry approach to a problem or to service delivery, or about the competence of a ministry to spend the money wisely and efficiently. However, it must be noted that the onus is on the member asking the question to make the questioning relevant to the estimates under consideration.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may at the end of your appearance verify the questions and issues being tracked by the research officer here.

Are there any questions before we start? I am now required to call vote 101 of the estimates, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

Minister, the floor is yours.

**Hon. Jeff Leal:** Thanks very much, Madam Chair, and members of the estimates committee. It's a pleasure for me to be here to review my ministry's estimates. I think it has been over a decade since the Ministry of Agriculture, Food and Rural Affairs has been in front of estimates. So a bit of time has transpired since then, but as you know, it's great to be here today.

I'm pleased to have the opportunity to be with you today to provide you with an update on the great work we've been doing at OMAFRA to support rural Ontario and grow the agri-food sector across the entire value chain.

I also want to take a moment to acknowledge my staff and officials who are here with me today. They spent a

considerable amount of time getting us prepared for the proceedings that are taking place, and I want to thank them for their work.

I want to particularly acknowledge my deputy, Dr. Deb Stark, who recently announced her retirement this coming November, which is bittersweet for this ministry. Deb, I can tell you, has been a tremendous source of information, insight and advice, and we've become wonderful friends over the last two and a half, almost three years. She will be sadly missed at our ministry, but we'll be wishing her and Howard all the very best as she begins this exciting new chapter in her life.

Friends, colleagues and members of this committee, I'd like to touch on five key points in my opening remarks and then look forward, with the help of my ministry team, to answer your questions.

I intend on speaking to the impact of the agri-food sector on the Ontario economy, the role of government in maximizing the agriculture industry's impact, the significant and critical financial leveraging achieved through our provincial investment, our investments in rural Ontario, and opportunities going forward.

As a representative and resident of my great riding of Peterborough, where I had the great privilege of being born and raised and attending university, and as a representative from eastern Ontario, the concerns of rural Ontario communities and their residents are of great interest to me—an interest I know my colleagues share.

To begin, I'd like to talk about Ontario's agri-food sector and what my ministry is doing to support and, more importantly, grow the entire value chain. We're all familiar with the saying, "Farmers feed cities." It's a slogan that is an undeniable reality of Ontario in the 21st century; 0.6% of our residents feed the other 99.4%. This fact is testimony to the unique role played by agriculture producers. Our government recognizes the vital importance of this sector to Ontario's economy.

Agriculture is the foundation of our province and is, indeed, the future of our province. Agriculture is a vital industry. It sustains us, provides jobs and opportunities for Ontarians, and links rural communities to urban centres to support the ultimate goal, which is to feed us.

Many of you on this committee have worked in the agri-food sector and know full well the important role it plays. This is a significant contributor to Ontario's economy, and through the efforts of our producers, processors and others along the value chain and in government, this impact continues to grow.

In 2013, Premier Wynne issued the agri-food growth challenge to our industry to double its growth rate and create 120,000 new jobs by the year 2020. It was a bold and ambitious target, and colleagues, we're well on our way to achieving it. Since issuing the challenge, more than 42,000 jobs have been created and \$2.2 billion has been added to the economy.

Our agri-food sector remains one of the most diversified in the world. With 52,000 family farms producing our 200 commodities, the reality is that Ontario's agri-food industry drives the Canadian agri-food sector. Our

sector is one of the province's largest, contributing \$36.4 billion to the provincial GDP. It is a sector that touches every single corner of this province and provides jobs to a diverse array of Ontarians, urban and rural, from indigenous peoples to new Canadians.

Every single day one out of nine, or 790,000, Ontarians wake up to work in primary food production, food processing and distribution, and food retailer services. That's 790,000 jobs out of a total workforce of 6.9 million people.

More broadly, the sector provides stability to the provincial economy as it demonstrates consistent growth despite negative cycles in other sectors. The sector's growth is being fuelled by increased domestic and international demand, driven by both global population growth and the purchasing power and tastes of a growing and expanding middle class.

#### **1610**

What I will showcase for you today is just how committed our government is to supporting our agri-food sector to meet the agri-food growth challenge while also meeting the domestic and international demand for safe, high-quality food, which Ontario has an international reputation for.

The reason for the success of Ontario's agri-food sector can squarely be placed on the men and women who work in the sector. All along the value chain, we see hard-working and innovative producers, processors, distributors, retailers and many others.

Playing an important role as a key partner to the success of the value chain is the government of Ontario. We understand that the agri-food system is complex, that our farmers and food processors face many challenges. They require a stable and positive business climate, which our government helps to create and which I'm proud to say my team at OMAFRA and across the government has provided. A large part of my ministry's work is to help build resilience into the system to support farmers as they face those challenges head-on.

Our government is supporting the growth of the economy and jobs by supporting and investing in our agri-food sector. Our support as a government to the agri-food sector is targeted in four key areas: business risk management; research and development; food safety and security; and market access.

An anchor of our support for producers is our province's suite of robust business risk management programs that are sound and dependable. In partnership with the government of Canada, we've delivered \$240.5 million to Ontario's farmers through support programs like AgriInvest, production insurance and AgriStability. Unlike most other programs, business risk management is demand-driven. Fluctuations in payments do not represent budgetary decisions but rather producer needs. These programs matter to the farmers who depend on them in times of need and when uncertainties hit.

Ontario is a leader in business risk management. We are only one of two provinces in Canada that offer their own business risk management programs, with a \$100-

million risk management program designed to support farmers who face uncontrollable fluctuations in commodity prices and input costs. We are very proud of our work with producers on an ongoing basis to ensure our BRM programs are meeting the needs of our farmers.

In the past two years, OMAFRA has worked hard to expand the supports we provide to producers. Just last month, we expanded our production insurance program to tender fruit producers who lose their trees. Following the recommendation of the Beef Farmers of Ontario, we doubled the feeder cattle loan program to \$260 million and simplified access to the program. We expanded our Agriculture Insurance Act, which is already available for almost 90 commercially grown crops in Ontario. I'm particularly proud of our initiative partnership with the government of Canada to launch a soil-mapping initiative to help farmers adjust to best management practices, replacing a soil map in Ontario that was put in place some 40 years ago.

Our BRM programs will be very relevant this year as producers dealt with extreme dry conditions that impacted parts of the province this summer. Some regions of the province—including the Niagara region; Haldimand, Norfolk and Simcoe counties; Northumberland county; Prince Edward county; Manitoulin Island; and my very own Peterborough county—were impacted by severe drought conditions.

I had the opportunity to tour some of these areas impacted this summer, and I saw first-hand the damage that extreme dry weather has caused, particularly to corn, soy and hay. I want to thank my colleague and friend the MPP for Northumberland–Quinte West, Lou Rinaldi, for his tireless advocacy on this issue as many farmers in his riding experienced drought conditions as well. I have directed my officials to work with affected producers to ensure eligible claimants are processed in a timely manner.

This past summer, I also had the opportunity to meet with my federal, provincial and territorial colleagues to talk about the successor framework to Growing Forward 2 for 2018 and beyond. Business risk management was an important part of the discussion. I look forward to working on the next generation of programs in line with the principles outlined in the Calgary statement.

Another area I'd like to quickly highlight specific to agriculture is the positive, long-term impact that research and innovation has on productivity growth and improved sustainability of resources, and how it addresses the challenges within the sector, such as climate change, food security, and protecting animal and human health.

Research and innovation and, more importantly, commercialization are vital to maintain a globally competitive sector, capitalize on new and emerging market opportunities, contribute to a healthy Ontario and support a robust food processing industry.

This year, OMAFRA is investing \$72 million in research and innovation. This is anchored by a long-standing partnership with the University of Guelph, which you all know has an international reputation when it comes to agriculture.

To deliver on research and innovation to see the agriculture sector grow, we have partnered with the government of Canada in delivering the Growing Forward 2, or GF2, initiative. Aside from providing the foundation of our business risk management programs, the five-year, \$1.5-billion GF2 initiative has invested in a strategic initiative that will fund important research for our agricultural sector.

As you know, friends and colleagues, food safety and security are the top priorities of OMAFRA. Each and every day, our employees, working with producers and processors, work to ensure that Ontario food is safe and continue to regard it as the best, both at home and around the world. During my trip to China in April 2015, food quality and food safety gave Ontario an international reputation.

During this year, we expect to invest over \$103 million to further public health and support environmental initiatives.

OMAFRA is dedicated to enhancing food safety and animal health and welfare through technical education outreach, advisory services, surveillance and emergency management. My ministry continues its ongoing work to be a modern regulator.

Colleagues, a fourth area I want to touch upon briefly is market access, which I will speak to more in my closing remarks.

The future success of Ontario's agri-food sector depends on our ability to gain access to markets while at the same time ensuring that our producers have the choice to market their products through a supply-managed or regulated marketing system here at home.

Future international demand is rapid, and our government believes that Ontario is in an enviable position to fill this international demand for safe, high-quality food products. We know that we're competing with other jurisdictions, but this is why it's vitally important that we be part of trade deals and continue to grow markets in places like China, which I visited in April 2015, and will do so in my upcoming trade mission to India.

During these trade missions, we not only proudly display our primary agriculture sector but the other major partner in the agri-food value chain, food processing, a sector that is very valuable to our province. Last year, food and beverages makers contributed \$12.1 billion to our economy and represent 15% of Ontario's manufacturing capacity.

In 2014, they invested \$500 million in Ontario with great confidence. The success of our food processing sector is important to our growers. Almost 65% of agriculture products grown in our province are purchased by Ontario's food and beverage manufacturers, companies like PepsiCo and highly successful companies such as Maple Leaf Foods, Dare Foods and Weston Foods. That's why we're working to ensure that the food processing sector continues to grow and contribute—

*Interjection.*

**Hon. Jeff Leal:** The consortium develops labour productivity within its sources and the tools that provide training for food manufacturers.

GF2 also offers cost-share funding assistance to food and by-product processors, and the program contributes more than \$44 million to 850 projects for our food and beverage makers across the province.

Our government sees the vast potential in this sector and the good jobs it provides for Ontarians, with higher-than-average pay compared to other manufacturers. Recognizing that potential, we ensure that business and food-beverage manufacturing could access the Jobs and Prosperity Fund. Last year, we launched a 10-year, \$400-million Food and Beverage Growth Fund as part of the larger Jobs and Prosperity Fund. To this date, the fund has invested \$7.5 million to create and retain 715 jobs. This funding helps companies increase productivity, improve processes and products, compete in new export markets and create and retain jobs for Ontarians.

1620

Success stories like food processing through the Food and Beverage Growth Fund show that our government is delivering on a top priority of growing the economy and creating jobs.

I want to take a moment to tell the part of the OMAFRA story that is not reflected directly in the numbers that you see in the estimates. It is about how these numbers actually work in attracting investments from other governments and, very importantly, from the private sector.

My ministry's investments are especially important because sending out OMAFRA leverages significant spending by others. It is estimated that in the fiscal year, my ministry's core spending leveraged \$673.6 million in spending by others.

I'd like to highlight some of the examples and speak to this incredible investment by other parties in our agri-food sector, and how this results in a ricochet effect that positively benefits many others.

As I just mentioned, our government invested \$7.5 million in government funding in the Food and Beverage Growth Fund, which leveraged an additional \$56.6 million from our private sector partners.

Our government invested \$52.3 million in a research agreement with the University of Guelph and, as a result, partners invested an additional \$40.7 million.

Another resounding story of return on investment is our government's focus on local food. Our government has been a strong supporter of local food since 2003, while we recognize the opportunity to do more and to improve the return on our investments by creating a strategy to correctly focus our activities towards specific outcomes.

Following consultations with the industry and stakeholders, we introduced the Local Food Strategy in 2013. I will speak more to the success of our Local Food Strategy in my closing remarks, but I want to highlight the three-year Local Food Fund, which supported the growth of our domestic food and beverage market and helped build capacity for local foods when it was launched in 2013. The Local Food Fund committed approximately \$21 million to over 150 projects, leveraging \$98 million to expand markets for local food and to create jobs.

Recognizing that the Local Food Fund was coming to a close, and to build on the program's success, the Premier and I visited Fresh City Farms in Downsview to announce that \$6 million would go to the Greenbelt Fund over three years to continue to deliver local food programming. Through our agreement with the Greenbelt Fund, they have launched the Local Food Investment Fund.

So far, there have been two intakes of the Local Food Investment Fund, which has funded nearly \$3 million, or 52 projects.

Contrary to what some members have said, the Local Food Fund has gone to projects outside the GTHA. They've invested in projects in the north such as in Dryden, and as far south as Leamington.

During Local Food Week this past June, we announced a project out of the first intake of the Local Food Investment Fund with Burnac Produce Ltd. This project will help Burnac Produce bring Ontario produce to Subway restaurants across the province and promote this campaign using Foodland Ontario materials, which are now available at Subway locations.

The Greenbelt Fund has been a sterling partner and has leveraged our investments with high performance. For every \$1 the Greenbelt Fund has invested, they've leveraged \$13 in returns to improve the Local Food Fund. That is a significant return on investment.

As I mentioned earlier, rural Ontario is near and dear to me. My first post in cabinet was to serve as the Minister of Rural Affairs, and I've always taken this role to heart, especially in my riding of Peterborough, which includes many beautiful rural communities. For the record, 40% of my riding is rural, making up those various municipalities in Peterborough county.

First I'd like to recognize the tremendous staff we have in the field, providing advice to municipalities and businesses across the province. In fact, there are 26 agricultural and rural economic advisers working to serve our rural communities and producers in every corner of this great province.

The Business Retention and Expansion Program helps communities identify their economic development priorities. The Community Immigrant Retention in Rural Ontario Program supports rural communities with effective approaches to attract and retain talented youth and newcomers. They are vital services that rural municipalities depend on, which I'm proud to say that my ministry effectively delivers.

I'd like to speak directly to two specific rural initiatives that impact my ministry: the Rural Economic Development Program, or RED, and infrastructure.

I know many of you are ready to ask questions today and throughout this committee process about the RED program. I also know that there has been a real concern in several municipalities, many of which have passed resolutions asking us to reverse our decision.

First of all, I can assure you that RED is not dead. To build a stronger rural Ontario economy, create jobs in communities across the province and deliver better

service to Ontario businesses, the business stream for the RED program, along with the Southwestern Ontario Development Fund and the Eastern Ontario Development Fund, will be delivered through the Jobs and Prosperity Fund. That much is clear, since it was announced in this year's budget.

As we move our business supports under the JPF banner, we want to make sure that we get it right so that we work for businesses to help deliver economic growth in rural Ontario. As we make the transition on our business supports, rural companies will still have access to our government's regional funds. We understand the needs of rural communities and we will be launching a community development program through my ministry.

The second specific program that I want to highlight is the Ontario Community Infrastructure Fund, OCIF. In 2014, we made OCIF permanent, with a \$100-million allocation dedicated to rural or remote communities, half of which was formula-based funding; the other half was application-based funding. Our municipal partners appreciated that we made infrastructure funding permanent but wanted to see a greater share going towards predictable and stable formula funding.

I know how that's very important. I spent 18 years as a city councillor in Peterborough, from 1985 to the fall of 2003, so I understand what municipalities want and need in terms of dependable, predictable infrastructure funding.

Friends, we listened to our rural municipalities. Our expanded OCIF will invest in rural infrastructure. OCIF funding will go towards building and improving roads, bridges, water mains and waste water treatment plants, along with other projects.

From 2019, OCIF will have tripled, from \$100 million to \$300 million. Better yet, based on advice we received from our municipal partners, two thirds of that funding will go toward formula funding, which is bankable over five years. We've also made the application-based grant targeted and more transparent, so that smaller communities can get top-up funding to support their pressing infrastructure needs.

It has been a tremendous honour to serve as the Minister of Agriculture, Food and Rural Affairs for the past two and a half years. As many of you know, I recently celebrated over 30 years of being in public service, and I've said that the past years have been among the most rewarding of my three decades.

Throughout my career as a public servant serving a public life in my community of Peterborough, I've staked my reputation on being a collegial, collaborative and genuine team player. I will always work with my colleagues in the agri-food sector and will always try to do the same when working with my friends across the aisle. That's because everybody in Ontario has an interest in seeing Ontario's agri-food sector thrive, as do all Ontarians in every part of this province.

Given what I've outlined, it's clear that there are great opportunities for the agri-food sector and rural Ontario at OMAFRA. We want to pursue these for the benefit of

our sector and, just as importantly, for the people of Ontario. We all know that, by the year 2050, there will be nine billion people to feed in the world.

First and foremost, it is our determination to meet the Premier's Agri-Food Challenge. We're well on our way to doing that, so coming here provides an opportunity to strike new partnership agreements with two key players: the federal government and the University of Guelph. We intend to craft these partnerships in a way that works for both parties, maximizes opportunities to leverage funding, helps us to achieve our objectives in business risk management, research innovation and food safety, and strengthens supports for producers, processors and others in the value chain.

We intend to work with the government of Canada and other provincial and territorial partners to include climate change mitigation and adaptation in our next policy framework in ways that meet the needs of our sector. We intend to best position Ontario to capture markets that will come with new trade deals and the emerging middle class in China, India and around the world. We look to meet the challenge and continue to support our rural communities.

I'll conclude my opening remarks. I believe that it's important that I state two fundamental perspectives that I bring to my role as Minister of Agriculture, Food and Rural Affairs.

First, Ontario succeeds when both its urban and rural communities are strong. This principle is key to our long-term success in the province and is critical to the well-being of all the people of Ontario.

Second, rural Ontario is a special place with a distinct culture, unique traditions and history forged from generations harvesting the resources of our province for the benefit of Canada and the world. I am determined to shape policy that meets its unique needs, with an appreciation of rural Ontario's contributions to our province and country.

### 1630

I know that you'll have hard-hitting questions for me throughout this process, and I appreciate the opportunity to discuss the agri-food sector in rural Ontario. I recognize that although we've done great work, we can always, and will always, strive to do better.

Something that was provided to me many years ago as one of my favourite proverbs goes: "If you want to go fast, go alone. If you want to go far, go together." I firmly believe in these words and live by them.

Thank you for having me here today. I look forward to your questions.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister.

We now move to the official opposition. You have up to 30 minutes. Mr. Barrett.

**Mr. Toby Barrett:** Thank you, Minister and staff, for attending on what you've indicated is somewhat of a historic occasion, if you measure history in 10-year cycles.

Winter is coming; it's a good time to start talking about policy. There's a bit more combining to do, and

some fall plowing, and closing up buildings and what have you. But we are in that annual cycle and, of course, many farm meetings will be coming up over the next several months. So we recognize and welcome this opportunity.

Just last evening, and during the day, we had an opportunity as parliamentarians to have meetings with the Dairy Farmers of Ontario, and that is top of mind for all of us. Obviously, supply management remains a pillar that we all agree on. Certainly, the opposition unequivocally supports supply management and the border controls that come with that, recognizing the pressure from competition from other countries. They gave us the specific example of the United States and the exporting into Ontario of dried skim milk.

I'd just like to run through some of what we learned yesterday, as the Dairy Farmers of Ontario explained.

The lack of modern dryer technology means that much of our milk is not being used to produce ingredients that there is a demand for, with respect to food processing. They made mention of two dryers in Ontario. Over time, there has been a deterioration of plant and equipment. Ontario requires more butterfat. We are using more butter and, ideally, less sugar. We've figured out the information on fat and sugar, and I've changed my diet somewhat. But there's a lack of ability to process the associated skim milk.

They went on to explain to us the ingredients strategy. A new skim milk ingredient pricing class has been approved by Farm Products. It was implemented in April of this year. I don't know whether you'd call it a world market price, but they've reached out on their ability to control the price of their product, all towards the goal of making investment more attractive in the processing side of dairy and, obviously, making the price more competitive. We're told that a broader strategy is needed with respect to the skim milk powder dryers. They've reached their capacity.

Further to that, and to this strategy, they made us aware of one commitment in Winnipeg of millions of dollars to increase processing. In the Winnipeg example, Gay Lea and a company called Vitalus Nutrition Inc., in conjunction with the Dairy Farmers of Manitoba, announced a joint venture to process dairy ingredients and butter.

We do know that a number of months ago, the previous federal government committed \$450 million for a processor modernization fund, as it was called, to put up the money. It would cover off about 20% of the capital cost for new plants. There's a proposal for two new or upgraded ingredient plants in the province.

The question in this is the question I'm sure is asked of all of us. Very simply, is there movement to see Ontario match this federal contribution? That was the ask that we received yesterday. Do you want to comment on that, please?

**Hon. Jeff Leal:** Thanks very much, Mr. Barrett. Just to give you my background, when I was doing my degree in economics, I wrote a paper on supply management.

That's how I first became acquainted with supply management. Under that academic work, which was done a while ago—I have often said that supply management is the best model that's ever been designed for agriculture. The principles will always stand the test of time: fair price to the producer, fair price to the consumer, and supply management, of course, never needs any government assistance and provide great stability to the agriculture sector.

Two men, two agricultural leaders deserve credit for supply management: on the provincial side, Bill Stewart, who was Premier John Robarts's ag minister; and of course, at the federal level, the late Eugene Whelan, who was the federal ag minister for well beyond a decade, working together to support supply management.

I often remember hearing Mr. Whelan speak. He said that supply management, had it been incorporated around the world, would have assisted many countries in developing their domestic agriculture without facing the dumping of agricultural products by other countries. It continues to be a great pillar of our agricultural sector across Canada.

I'd be remiss if I didn't say I'm somewhat concerned. Maxime Bernier, who is seeking the leadership of the federal Conservative Party in Ottawa, recently indicated in a very public way that supply management should be dismantled. We in Ontario—and, as you said, sir, today, and I know the third party—would certainly suggest that he's wrong when he makes those observations about the value of supply management.

Of course, through our meetings yesterday, we learned that on the dairy side, the quota has increased by 13% in Ontario over the last two years, which certainly indicates to us that the dairy sector is strong and it's growing.

I'll turn it over to one of my assistant deputy ministers, Randy Jackiw, who is responsible for our economic development division. Randy, please?

**Mr. Randy Jackiw:** Thank you, Minister. I think it's important that I give a bit of context for this—it's a very complex value chain, as far as the dairy industry—and a little bit about our trading partners and that context as well.

First of all, it's important to know that agriculture is a shared jurisdiction between the provinces and the federal government. Specific to the dairy industry, there is a national commission called the Canadian Dairy Commission that works very closely with the regulations in each province. There are fairly sophisticated mechanisms in place as far as how production is allocated throughout the country.

On the regulated marketing side, because I think it's important as far as the dairy ingredient strategy, there are regulations in just about every commodity that's produced in most of the developed countries around the world.

1640

One of the big differences between this and other sectors is that we're dealing with perishable products, so it is time-bound as far as how they are dealt with. The

commodities, which are more like the grains and oilseeds, tend to be a little bit more open-market, but even in those cases there's a role that the government plays around financial protection and all of the grains that are in storage, just to make sure that there's order in the marketplace.

In the commodities where there are animals, specifically around dairy, that's where you find a lot of the supply management because the genetics, the value chains, are very complex, and you just can't ramp those up and down. They're very sensitive to the vagaries of the marketplace and the biology in that. Also, other jurisdictions around the world have regulations like that in place. It might not be called supply management, but they have a lot of the same kind of controls. Whether they be marketing orders—generally, there are things in place to regulate what is a perishable product.

In Ontario, I think we're all pretty proud of the fact that they are looking forward, as far as what different trade agreements are potentially bringing—some of the things that have evolved, as you mentioned, in the comments around butter fat and skim milk surpluses. They've developed this ingredients strategy.

The important thing to know about that is that there is a significant amount of consensus around how Ontario would approach this. The goal here is to be competitive in the decades ahead. That isn't—at least, it wasn't—a shared view across the country, with trade agreement discussions TPP and CETA as examples. There were some jurisdictions that were looking at dealing with supply management in another way. But in Ontario, they really wanted to see investment to put it on a sound footing going forward. A couple of major processors as well as the Dairy Farmers of Ontario came up with that ingredient strategy. They were working, at the same time, with the Ontario Farm Products Marketing Commission, which is responsible for the administration of the regulations under the leadership and governance of the ministry. The minister, also at the same time, was playing a national role with colleagues in Quebec as well as other provinces, and, over the last number of months, has actually made some progress on a little bit more of a national consensus around that.

It's important, again, on this value chain, that it isn't just about one thing that needs to happen. It isn't just about dryers; it's making sure that there's attention all along, from genetics right through to the finished products, because you need all of that to make sure that you're competitive for the future.

**Mr. Toby Barrett:** Again, what is the process, and is the process under way with respect to working with the federal government and, perhaps, working with Quebec? How clear are we on whether that federal money is still there, and are we able to match a percentage of that? That's what the farmers would like to know.

**Mr. Randy Jackiw:** We're still not clear, as far as what's happening at the federal level, which is why it was so important for us to still keep moving on this at the provincial level.

I would talk a little bit about some of the work that we've done with the processors and the dairy farmers. First of all, on its ingredients strategy, as you said, it was really with the focus of having a world price. There's nothing that we're doing within that that further restricts any products that are imported or have any other trade implications; it's just about getting competitive on that world market. Ontario is well positioned for a whole bunch of other reasons as well.

**Mr. Toby Barrett:** I'd commend the dairy farmers for agreeing to a world price without having a separate domestic price, like a higher price. We saw with tobacco that there would be an export price or a world price. The domestic price was higher. It sounds like the dairy farmers are taking that kind of a hit and reaching out. We just wonder to what extent we can see—

**Mr. Randy Jackiw:** Right. There's some significant work that we've been doing with the processors. I can't get into specifics at this point because these aren't finished, but the big discussion we've been having with them is along the jobs and prosperity, food and beverage stream process.

There's \$40 million that was available over a 10-year period. There's up to 20% of the eligible costs, and they are things like dryers. It isn't just dryers that they're looking at; it's ultrafilters and other technologies that really do get a higher utilization of those various products so that you get more butter and more of the ingredients, because that's really where the world is headed. The important thing about that is that that sets you up for being competitive on those products in the longer term.

There's a bit of an issue as far as how this has evolved over the last number of years. When you concentrate those milk ingredients to 85%-or-plus protein, it is no longer called milk and comes in across the border. We have a significant number of imports, if you will, of those products that are going into a lot of the new dairy types of things that have been very popular on the shelves—the yogurts and those sorts of things. This strategy is to be able to hit that head-on.

**Mr. Toby Barrett:** I guess we don't, as you say, need to get into specifics. I don't want to see a butter-oil debate again, or something like that. As with our dairy farmers—again, I commend them working to support their processors—I see similarities. I saw it a bit in tobacco. We see it with the processing vegetable industry, something that dominated the farm media this summer, as we know.

Again, the growers of cucumbers down my way are cognizant of the needs of their processors and their green shippers. A number of the growers—I think of Holland Marsh—are also processors. There were a couple of fellows in question period today who are involved in growing and also processing at the same time.

As we know, farm products this summer came up through the work of the farm products commission with 21 marketing boards. They presented their plan to eliminate the bargaining powers of the Ontario Processing Vegetable Growers association. There was an uproar,

certainly across rural southern Ontario. I commend Minister Leal for putting the brakes on that plan, as is appropriate. Those of us elected around this table—the minister used his power to issue a directive to the commission indicating that it had to consult with the growers and the processors before we saw any changes.

I think it was in today's London Free Press that journalist John Miner again wrote another piece on this. We are fortunate to have our farm media, or papers like the London paper, that cover agricultural issues. He made reference to a paper recently published by Dr. Larry Martin. The title: Learnings from a Comedy of Arrogance. I won't dwell on that, but I will just draw on a few things from his paper.

Again, we have an Ontario industry in many cases in direct competition with US industry. We think of processing tomatoes, for example, and paste manufacturing. We compete with the California price, and corn. Jack and I grow corn or soybeans based on the Chicago price. We understand that, and we can compete, in my view, with that California price. We do it with strawberries, for example, competing with some of the Ohio and Indiana processing or canning—peas, beans, sweet corn—Quebec, Wisconsin, Minnesota and New York.

#### 1650

But we have that opportunity as well, or our processing growers have that opportunity, to switch to other crops. We saw it when tobacco got in trouble. In a way, you go from a very labour-intensive, irrigation-intensive crop. You can switch over to corn or soybeans or, at minimum, you can rent the land, as we do with our farms right now, when you can't do it anymore or don't have the time to do it or markets change. It's relatively easy to switch to these traditional crops; hence, the importance of being able to compete with the US product. Once you go to, say, corn or soybeans, you can contract a combine and things like that.

It's pretty difficult to go back into that intensive agriculture, as we see with our processing vegetables, a commodity that requires a considerable investment: lining up machinery and equipment, dealing with farm labour. That's a real skill that our vegetable growers have.

I'd just like to go on a little further here. With the resources that we have with OMAFRA, through OMAFRA, I'm assuming an organization like the Ontario Processing Vegetable Growers was set up with the expert assistance of OMAFRA staff back in the day. I know the bone of contention I had. We used to grow sweet peas. We didn't have an association back then. Things were worked out. We had a field buyer, a neighbour. The processing plant, Culverhouse Canning, was actually only one mile from our farm. We had some economies there.

So even though we weren't negotiating the price as a group, we were, I guess, price takers from that processing plant, with so many other processing plants across Ontario over many, many years. Canadian Canners at one time had something like 150 plants. The farmer was a price taker. There was no heavy-duty negotiation. But the plants went out of business anyway.

There were other factors over the years: wage rates, for example; imports from other countries. There were many, many other reasons why we've had this sorry history of watching food processing plants that were established over the past 150 years right in the key growing areas in southern Ontario—established there for a reason: Because you could grow the product there. It wasn't far to move it—a perishable product, of course; and then you could get it in cans or now, more recently, freezing it.

With OMAFRA's expertise, how can we better assist the growers and the processors to work together? We don't need the confrontational stuff. We're dealing with enough already with weather and what have you. Essentially, how can the growers continue to better assist their processors, as we see with this dairy initiative—success for all?

**Hon. Jeff Leal:** Thanks, Mr. Barrett. Of course, I remind members in the estimates committee today that Ontario is the largest agri-food sector in Canada. We have 52,000 family farms producing over 200 commodities, making Ontario the most diverse province in Canada today when it comes to agricultural commodities. It contributes \$36.4 billion to Ontario's GDP each and every year, and, depending on what measure you take, agriculture is either number one or number two, depending on the yardstick that you pick. It's interesting to note too that in 2015, Ontario's farm cash receipts totalled \$12.73 billion, which was a new provincial record in Canada.

You're well aware that during the summer I issued a directive to the Ontario Farm Products Marketing Commission. We are in full support of regulated markets in the province of Ontario. I fundamentally believe—as does OMAFRA, as do many Ontarians—that this works and works very well.

I did take the opportunity when I was sending out the directive, Mr. Barrett, to call you personally and to call Mr. Vanthof personally to indicate what my direction would be. It's not about individuals who are with the Ontario Farm Products Marketing Commission, but I wanted to make sure that democracy prevailed, that appropriate discussions would take place in a true, transparent and accountable manner and to make sure, because my academic background is in economics, that a thorough analysis would be completed.

Look, I really want to thank you for a very positive quote. Just quoting you, Mr. Barrett; it appeared in the London Free Press on August 19: "This is the way democracy is supposed to work. This is quite heartening." I appreciate those supportive words. Dave Epp, who was quite vocal during the commission's consultation, called the directive "welcome news," and it certainly received support from Mr. Vanthof.

I'll just turn it over to my deputy, if there is anything additional—

**Mr. Toby Barrett:** Maybe in the transition: We welcome the directive, and you indicated, obviously, consultation and economic analysis—let's map out some

of the opportunities and come up with some recommendations. Very briefly—we only have a few minutes—where are we at in that process, or where is farm products in that process?

**Hon. Jeff Leal:** Mr. Barrett, I'll have my deputy respond.

**Mr. Toby Barrett:** Yes, thank you.

**Dr. Deb Stark:** Well—

**The Chair (Ms. Cheri DiNovo):** Could you please state your name?

**Hon. Jeff Leal:** Oh, I'm sorry, Madam Chair.

**Dr. Deb Stark:** Deb Stark, deputy minister, Ontario Ministry of Agriculture, Food and Rural Affairs.

The directive was to the Ontario Farm Products Marketing Commission, and they do have the authority to go forward with taking the direction that the minister has provided. I can tell you from informal conversations with them that they have reached out to both the processors and the producers to make it clear that they have received the minister's directive and they will be working under that direction. They have appointed a subcommittee, and that subcommittee is, as we speak, busy considering a path to go forward.

They are very cognizant of the fact that this whole process has created some uncertainty and certainly created some tensions within the industry. I know it's something that the members of the commission are interested in moving forward on fairly quickly, to demonstrate the path forward.

As you indicate, there is a need to do the economic analysis, and the real focus is on growing the sector collaboratively. So we will wait and hear how the commission goes forward with that. We as a ministry have offered any support we can provide—again, with that clear division of responsibility. It is the commission that has the authority to take action at this point in time.

**Mr. Toby Barrett:** I'm sure Farm Products can draw on the resources of OMAFRA or draw on other experts?

**Dr. Deb Stark:** We have offered them—if they wish, they can ask, and we can see what we can do to help them. Of course, the budget, the financial resources of the commission, is part of the ministry's budget. They have flagged that this is not something they can probably do with the existing dollars they have, and we have said that, indeed, we understand that, we appreciate that and we will manage that.

1700

**Mr. Toby Barrett:** And I think there is an opportunity here. Things are kind of unfrozen right now, and we can take a look at some options or recommendations that benefit all parties. Then things get frozen in place until the next crisis comes along.

**Dr. Deb Stark:** I think the minister was very clear in his direction that is was to be to the benefit of the sector in its whole.

**The Chair (Ms. Cheri DiNovo):** You have about 30 seconds. Would you like to use them?

**Mr. Toby Barrett:** No, I think—can I save those 30 seconds for next time?

**The Chair (Ms. Cheri DiNovo):** You can't. We'll move on.

We now move to the third party. Mr. Vanthof.

**Mr. John Vanthof:** Thank you, Minister, for your opening statement, and Deputy and staff. I heard in your opening statement that it has been 10 years since agriculture has been to estimates. I can tell you that 10 years ago this day, I didn't know what the estimates committee was or how the Legislature worked; I was a farmer—proud to be a farmer.

I think for me, as a farmer—often we forget when we're legislators how incredible an honour this actually is. I can remember when previous Ministers of Agriculture came to Timiskaming. It was something that we prepared for—which we still do; you're always invited—because it's a big deal when the minister comes. It's an honour to be able to question to the minister. I take that with some deference. It's tough being the third one in the line, so some of my questions are going to be similar.

I've been in agriculture since 1981, I guess. I worked for my dad before. The changes that have come, from a farm perspective—how a farmer sees OMAFRA. I can remember when I started farming that the first person I went to was the ag rep. We still have an ag rep in Timiskaming—we're thankful—but a lot of parts of the province don't anymore. An ag rep used to be the first person you'd go to for advice and, in most of the province, they're gone. Long-term, I think that has had an impact.

I remember that my first milk inspection on the dairy farm was done by OMAFRA—no longer. It's done by DFO. I remember when we had meetings about it where the field rep from DFO was going to become the inspector, and it was quite a contentious issue. It was seen as the DFO guy was on your side and the inspector was not necessarily. That's changed. Again, it was a removal one step away. I remember when 4-H seemed like it was part of OMAFRA.

I don't know about the rest of the province, but in my part of the world in northern Ontario there seems to have been a backing away from supporting farmers. Now, I know right now northern Ontario is on everybody's mind; it's the sexy part of agriculture, if I can use that term—I'm going to get to that later with some questions. There has always been a vibrant agriculture sector, particularly in my part of the world. Timiskaming has always been pretty vibrant, but we've seen a backing away.

In your remarks you said it was \$72 million, I believe, with the University of Guelph on research. I'm familiar with that number. I'm also familiar with when one of your predecessors—at that time, Minister McMeekin—came to our riding because there was the rumour going around that the research station was going to close in New Liskeard. The local farmers and the minister struck an agreement. At that time it was \$1.5 million. It's still a work in progress and that's something we would like to look at too: how that is progressing.

Overall, I think from an individual farm perspective—I don't know if it's necessarily a bad thing, but there has

been a bit of a separation between OMAF, now OMAFRA, and the actual farm population, and that isn't helping your ministry. I don't think it is.

I'd like to go into supply management as well. Supply management is pretty near and dear to my heart. It's an incredibly complicated system but, actually, if you really think about it, it's not that complicated—it's not. My mentor in dairy farming was a fellow by the name of Albert Gauthier. He used to sell milk. He had a private quota with a dairy as opposed to supply management. In the wintertime, they wanted all his milk; in the summertime, milk was in cans and he'd bring the milk to the same dairy—and he had that quota with the dairy—but they didn't need the milk, so they just rejected it, even though there was nothing wrong with the milk.

That was the origin of supply management, when Bill Stewart and others worked on it. How the system actually works—because everybody talks about it, but nobody really—so they created tariff barriers for the milk products that existed at the time: for milk, butter and cheese. There isn't one on chocolate milk. Remember that we had a dairy beverage issue a while ago? That's because there's not a tariff barrier; they forgot the chocolate part.

Over the years, because of the tariff barriers, on their part the farmers agreed to provide a quality, safe product at a fair price, provided the borders were protected. I think it served the industry well, and it served consumers very well. I think we all agree on that.

What's happened is—and it's always that when you've got a good thing going, there's going to be somebody trying to get in. We have a fair price for milk in this province—a higher price than some other jurisdictions, so they do whatever they can to get around the tariff barriers. For a while there, you mixed butter oil with sugar—butter oil blends—but now it has become much more sophisticated. Those are the things that are getting through.

I commend the Dairy Farmers of Ontario and your ministry and the processors for working on this. The processors are asking for support, and the dairy farmers are asking for support to help the processors with this changeover. That's a bit new for the dairy sector, because the dairy sector has always prided itself—"You protect us and we're not going to ask you for money." They've been very good at that. But because they were protected for 50 years, and science has gone around those barriers, that's why they need help. Those plants didn't have—usually, if you want to build a new plant, you look for export markets. We don't look for exports because we have barriers, and one of the barriers is that we can't go. So it's hard to build big, new plants when your processing production is limited.

Now they have decided, "It's time. We can no longer look the other way. We have to compete with these markets." That's why the need is here now for those plants. I support the opposition, but I support anything that we do to help that along the way, because this is the next generation of supply management.

I was on the board of DFO when we fought butter oil blends, but this is a bit of a break from tradition, because traditionally, you don't see DFO asking for government-specific support for infrastructure. They are now, and that, in my estimation, is the reason. I don't want to hear all the explanations—we all know how supply management works and why it's beneficial, but I'd like to put on the record that that's a bit of a departure, and Ontario has led the way on that.

There are two trains of thoughts in this country on supply management. There's the train of thought that we are going to hold the course and just continue to fight this issue by issue by issue. And the other train of thought is: "Wait a second. We are being outstripped by science, and now we have to make this conversion so we can sell the same products to compete with the products that are coming into the country."

This isn't something—and I hope you agree with me—that we can wait on for years. The train has left the station, and we're at a point where we're catching the train but we need to be on the train.

Minister, would you—

**Hon. Jeff Leal:** First of all, Mr. Vanthof, I had the opportunity,, not too long ago—it seems like just yesterday—when we attended the International Plowing Match, which was held in the New Liskeard area. I remember first-year geography in university where you talked about the Great Clay Belt as a geological formation that is unique to northeastern Ontario and northwestern Quebec. The plowing match was superb—and I think for many of my urban colleagues, from all sides, who took the opportunity to be in the New Liskeard area for the International Plowing Match to really appreciate what the Great Clay Belt is all about. A decade or so ago, they weren't growing corn, soybeans and oats. Now, as the world has gotten warmer, there are more heat units in the Great Clay Belt and you can have wonderful crops and wonderful forage crops of corn, soybean and cool oats.

1710

Mr. Vanthof, as you know, I also like to talk about my wonderful company where I spent four summers working as a university student, at Quaker Oats in Peterborough. They're one of the biggest purchasers of cool oats from the New Liskeard area to put into their world-famous Quaker Oats granola bars that I hope all members of the House consume each and every day.

When you talk about the price of milk and supply management, because it's close to home, I buy from Kawartha Dairy. So you're looking at three bags of 1% milk. It often is in the neighbourhood of \$4.89 or \$5 for three bags. When I go to the Memorial Centre to see my beloved Peterborough Petes play, people are prepared to pay \$2 or \$2.50 to buy a bottle of water. So I ask you, I ask all of society in Ontario today: Where is the value when you do a simple division to look at value?

You're quite right. Supply management, like any economic model, has to adjust its perspective with the times. We certainly witnessed that with the changes that were

made on the ingredient strategy by the Dairy Farmers of Ontario in April. We're also seeing it happen with regard to changes with the Chicken Farmers of Ontario, bearing in mind that reform is necessary to sustain supply management, going down the road.

We're all aware that we live in a world today where there are trade agreements, whether it's NAFTA—we don't know what's going to happen with the Canada-EU deal and we don't know, because of the presidential cycle in the United States, what ultimately may happen with the TPP. But we do know that the Great Depression became "great" because international trade froze for that decade, from 1929 to 1939, which really wreaked havoc in terms of all nations of the world. So there is going to be trade, and we want to make sure that we adjust all of our industry—and the agri industry, certainly—to that.

With regard to the Canada-EU deal, part of the agreement there was for Canada to absorb about 17,000 tonnes of cheese under TRQ, the tariff-rate quota. We'll have to see what evolves with Canada-EU.

I had the privilege of representing Ontario in Atlanta last September during the TPP negotiations. I always like to acknowledge that. I worked closely with the former federal ag minister, the Honourable Gerry Ritz, and the then trade minister, the Honourable Ed Fast. We were able to negotiate, I think, what really essentially under TPP protected the essence of supply management for the Canadian economy. I do make note: Those countries that abandoned a supply management system, Australia and New Zealand, their dairy industry today is under big stress, big trouble. In fact, their governments are actively subsidizing out of their financial resources to rescue the dairy sector in both New Zealand and Australia, because they thought the free market was going to be the be-all and end-all when it came to the trade in agricultural products—a real lesson for those two countries in terms of abandoning a model that worked very well.

Again, I'll have my assistant deputy minister, Randy, just chat about the process.

**Mr. John Vanthof:** I think the point, though, if I could break in—it's not really a rural thing to break in on people, but I'm starting to figure out that that's how you have to do it here.

Everything you've said about trade—no problem there at all. What's at issue right now is not about trade; it's about us being able to supply our own market with the products that are coming in. It's not about pushing into other parts of the world, because that is still a very touchy issue. It's about being able to supply our own market with our own products, and delivered in a way that other countries are putting into this country.

**Hon. Jeff Leal:** What we've seen is that consumer tastes have changed. I mean, 10 years ago, everybody was going to margarine because they thought that was the safest thing to do. Fast forward 10 years, and now everybody is going back to butter because they think that's the consumer preference. That's a good thing for Ontario producers.

I take your point. Thanks so much.

**Dr. Deb Stark:** If I could, I just want to assure the committee that we are in very serious discussion with the dairy processing industry about what they need to implement the dairy ingredients strategy.

The challenge we have is that these are confidential conversations at this point in time. I know that it was the dairy farmers who came yesterday and said, “Let’s move on it,” but it is about the dairy processors. That’s a little bit of the box that we find ourselves in today—unable to share information about another part of the sector—but we have been working with the industry on this dairy ingredients strategy for a while, and I can assure you that it is top of mind for us.

**Mr. John Vanthof:** Thank you. I’m going to go to the Ontario Processing Vegetable Growers association with that issue, as well.

One thing that you mentioned—I forget your name.

**Mr. Randy Jackiw:** Randy.

**Mr. John Vanthof:** Randy—about vegetables is that they’re perishable, as is milk. That’s why regulated marketing is very important. I would like to thank the minister for his response, but I would like to put on the record that I was surprised at the way that the commission handled it, because there is a time to reap and a time to sow, and that wasn’t the time to throw that out there.

As a farmer, I was shocked. I would have expected that—I would have understood it—from a totally urban group that had no real comprehension of how the agriculture sector worked, but the marketing commission is not that, I would hope. I know they’re not that.

To throw that out there—you did the right thing, Minister, but for that to get thrown out there—also, I read comments that members of the commission made comments at other places that they were the fixers and they were the hired guns.

My question is going to be a direct question: Were you aware that this process was going to start before it started?

**Hon. Jeff Leal:** First of all, it’s not my practice, in the time that I’ve been in public life for over 30 years, to comment on personalities. A situation occurred. This Ontario government, as previous governments of all political stripes have been, is 100% supportive of the regulated farm products mechanism of the province of Ontario.

It came to my attention that the Farm Products Marketing Commission needed some direction. I provided that direction and I provided a course of action. As my deputy has said in response to a question from Mr. Barrett, currently the OFPMC—all these acronyms—is considering the directive and discussing next steps. Since the OFPMC’s next steps have been developed, the commission will advise industry stakeholders on how the process will move forward, and I look forward to that.

I was very clear. It was one of those times that there was no wiggle room. I was very clear in my directive. I believe that it was the right thing to go to bring about transparency, accountability and for me to do the appropriate economic analysis of the situation. Those are the

three things that are most important to me as the minister and most important for the people who are in this very important aspect of Ontario’s agri-economy.

**Mr. John Vanthof:** Thank you.

I’m going to go back to something else that’s near and dear to me and to a lot of people I represent, and that’s northern Ontario. Just for the record—it’s a touchy thing for northerners—we don’t live in the Great Clay Belt. Timiskaming is in the Little Clay Belt, and the Great Clay Belt is in Cochrane. We’ve always grown oats. Corn and soybeans: That’s in the last few years.

**Hon. Jeff Leal:** Okay.

**Mr. John Vanthof:** Why am I saying that? As more people talk about northern Ontario and about promoting agriculture in northern Ontario—and there are massive possibilities to increase agriculture production in northern Ontario, without a doubt. But one thing that, as a northerner and as—I don’t know how to do this. I’m trying to not be too—we have heard this before. We hear sometimes people from other areas who are like, “We’ve got the answers and we’re going to foist this upon you.”

1720

We’ve been through programs from OMAF before. One of them was Norfund. I don’t know if anybody remembers Norfund. Norfund—and this was when I just started farming—came up with a program to help northern Ontario. Someone, somewhere, decided that what northern farmers needed was granaries, weed sprayers and a few other things. So you got a massive subsidy on a weed sprayer whether you needed a weed sprayer or not, and every farm had a weed sprayer and lots of them never left the shed. As a result, for the people who actually needed weed sprayers, we also had the most expensive weed sprayer prices in Ontario, because there was a big subsidy. Same with granaries: All kinds of granaries were built that were never used.

That’s an example of a bad program, because it directs funds where others think they should go, as opposed to where the biggest bang for the economic buck is. And I can’t even remember which government that was under. This isn’t political.

There is currently a really good program. It’s not through OMAF; it’s through MNDM. This is the third or fourth iteration of this program. There are a couple of programs, but this one is focused on tile drainage and land clearing. It’s a fantastic program because it allows people to do—and tile drainage is the best program. If you want to increase agriculture in northern Ontario, tile drainage is a necessity.

But before that, there was a program that was, in my opinion, even better, and that was under a Liberal government. The reason that Timiskaming—and for those of you who haven’t been to Timiskaming, you cross that big hill and Timiskaming looks as nice as the Woodstock area. It’s a beautiful place to farm. It’s a beautiful place, and the land isn’t \$20,000 or \$30,000 an acre. But the reason it looks like it does is that there was a heritage fund program, and it stated that you could access money from the heritage fund, up to \$50,000, with the caveat

that you had to increase your gross within two years after that by the amount you got.

What it did: Things that people were planning to do in the next three or four years, it made them all happen. It accelerated them. And it didn't have the typical impact, like when you say, "It's only for spraying," or it's only for whatever. You couldn't spend it on livestock or rolling stock; I understand. But some people put pieces on their barns; some people built new barns. You get \$50,000 and—I did a lot of work on this. The average expenditure per farm was close to \$350,000 or \$400,000 that the farmer put in. So some people put in barns; some people tile-drained.

That was an example of a really good program, because it took the people who actually knew—and it's not unique to just northern Ontario. Farmers know where the money is best spent—at least the good ones do.

I'm not going to ask you to spill the beans. I know you're working on northern Ontario. But the things that I would like to encourage are that you look at programs like that and you talk to people on the ground who are successful now in northern Ontario. Everybody's got theories about how to be successful. Everybody's got studies. We can talk about the beef farmer study, and that's great; it's a good study. But prices have changed significantly since that study was put out, you know.

It's crucial, and it has always been crucial, to talk to people who are successful in the area now. And there are successful farms not just in Timiskaming; there are successful farms in Cochrane, there are successful farms in Kapuskasing, there are successful farms in Dryden, in Rainy River. And those are the people. They might not be great on the facts and figures, but when we moved to northern Ontario in 1971, and my dad was as guilty as the next guy, he thought, "Move to northern Ontario and these guys don't really know what they're doing; we're going to do it like southern Ontario."

**The Chair (Ms. Cheri DiNovo):** Mr. Vanthof, you have five minutes.

**Mr. John Vanthof:** Okay, good, good. I can finish this story.

My dad almost lost his shirt. A local farmer came to talk to me. He said, "Well, Mr. Vanthof, if you want to make it here, every morning what you should do is climb up your silo and see what everybody else is doing."

My question is—I know you're looking at northern Ontario. I've been told it's one of your priorities. It's in the mandate letter. How are you consulting who you're consulting and at what stage are those consultations? That's my question.

**Hon. Jeff Leal:** Mr. Vanthof, I've duly noted what you've provided. You did acknowledge the Northern Ontario Heritage Fund, which has been doing great work in terms of tile drainage. That's one of the reasons why, after 40 years, I believe a new soil map is needed for the province of Ontario.

We're actually doing some work up in your area. We're doing three areas in 2016-17. One of the things, of course, that we're identifying through tile drainage—you

could take soil classification that was done 40 years ago by the government of Canada through the Canada Land Inventory system. It was classified 40 years ago as lands 4, 5 and 6. You tile-drain it and you can improve capacity—same soils of class 1, 2 and 3, through appropriate tile drainage, which is a real success story.

I'll have my assistant deputy minister, Phil Malcolmson, respond to some of your other comments.

**Mr. Phil Malcolmson:** Thank you for your question. I was listening in the back and I thought you made a really insightful comment, that there have been lots of ideas with respect to northern Ontario over the last 10 years, and not all have been successful.

If I could start my comment by kind of looking in to the long term and looking globally, there are going to be nine billion people on planet Earth by 2050. That's a lot of demand for food. And, when the OECD looks at where that food is going to be produced, one of the places that they look at increasingly is going to be Canada and Ontario.

There are certainly some negative implications for climate change, but for an area such as northern Ontario, particularly in the area that you're in, things that couldn't have been grown there in the past can be grown there now and into the future, along with innovation around animal and plant genetics. So, things that weren't possible will be possible. There'll be a lot of market pull; it will have to be produced somewhere.

The other is just fundamental economics. If you look at land prices in southern Ontario, you see acres going for \$18,000, \$20,000, \$25,000—that's not the prices that you would see up in your area, so economics actually do make it attractive, provided you're in it for the long term, quite frankly.

Your question was with respect to what the ministry is doing and who we are talking to. You would know more than most that the Ontario government, through the Ministry of Northern Development and Mines and Minister Gravelle, has a northern growth plan. One of the main sectors under the northern growth plan is agriculture, aquaculture and food processing. We take that opportunity very seriously. We actually have a kind of very active engagement process that started in the summer and went through the fall, where we did some engagement in northern Ontario.

But, to your point, about this cannot be a southern- or a Queen's-Park-based imposition, we went into that with a philosophy and a framework that this would be individual- and industry-led and government-enabled and, really, with a view of listening to people in terms of what they needed to develop their opportunities, in particular so it could be sustainable economically in the long term.

I'll just give you a highlight with respect to some of the engagement. I don't want to trouble you with too many facts, but we had six in-person sessions in northern Ontario; 12 WebExes across northern Ontario, just to make it easy for people to participate; two WebEx sessions with municipalities in northern Ontario; and

some in-person sessions with indigenous persons in northern Ontario.

Overall, we had 163 people who attended our sessions, not including the WebExes. We did allow for submissions online, and we had 43 written submissions. That's just in the process of closing now. That's a lot of input. We're in the process of synthesizing that input, to start with listening to what we heard.

1730

Some themes, without getting into the 143 comments—and I don't think you'd be surprised by any of these: There was a really positive attitude that there are lots of significant opportunities. There's quality land, and the prices of the land relative to—

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Mr. Vanthof, that your time is up. It goes back to the minister now. So you might want to continue along under the minister's time.

**Hon. Jeff Leal:** I want to thank both the commenters from the official opposition and the third party this afternoon. The topics we discussed—the dairy ingredients strategy and regulated markets—are very important issues for us all. You've all demonstrated a keen interest in seeing a thriving agri-food sector in our province and vibrant rural communities.

I'd like to take this time to continue sharing what my ministry and our government are doing to meet the Premier's agri-food growth challenge. I'll also speak to more initiatives we're undertaking to support a thriving rural Ontario.

In 2013, Premier Wynne, as Minister of Agriculture and Food, saw the potential in the agri-food sector and launched an ambitious challenge to grow the sector. By 2020, we want to see the agri-food sector double its rate of growth and create 120,000 jobs. As mentioned in my opening remarks, we're already doing a lot of work to help out the primary and food processing sectors grow across the province, which is helping the sector meet this growth challenge.

In 2014, we convened the Agri-Food Growth Steering Committee, consisting of leaders and experts in agriculture, food processing and government, to come up with recommendations to help us meet the agri-food growth challenge. My deputy and Amy Cronin, chair of Ontario Pork, both kindly served as co-chairs of this growth steering committee.

The committee delivered their recommendations last November at the 11th annual Premier's agri-food summit. These recommendations focused on three key areas: increasing government and industry promotion of Ontario's agri-food sector at home and abroad; strengthening the advocacy of Ontario's food processing sector, particularly at the federal level; and focusing on medium-sized agri-food businesses to enhance competitiveness.

As my ministry puts together an implementation plan for the steering committee's recommendations, we've already made great progress towards meeting the agri-food growth challenge. Since the Premier's challenge was issued, more than 42,000 new jobs have been

created, exports are up by \$3.3 billion, and \$2.2 billion has been added to the province's GDP. In 2015 alone, agri-food exports rose to \$14.1 billion, up 13% from the previous year.

To support our goal of growing our agri-food sector, our government has placed a large emphasis on expanding and developing export markets for Ontario-produced and Ontario-made products. The future success of our agri-food industry depends on our ability to gain new markets while at the same time ensuring that our producers have the choice to market their products through a supply management and/or a regulated marketing system. Future international demand is rapidly expanding and is driven by population growth and the purchasing power and diverse tastes of a growing international middle class.

Recent trade agreements, if ratified, will liberalize trade and provide additional markets for Canada and Ontario, but they will also create strong competition in foreign and domestic markets. Most importantly, these trade agreements provide an opportunity, if we're prepared to take it. This is why, my friends, I'm determined to see Ontario successfully compete with other jurisdictions like the United States, Europe and Asia. We're doing that by growing markets and promoting our high-quality agri-food sector.

In April 2015, my colleague Michael Chan, the Minister of International Trade, and I went to China for the province's first-ever minister-led trade mission to that wonderful country. Twenty-one businesses and organizations joined us on a 10-day mission, which began in Beijing and took us to several stops across China and Hong Kong, resulting in \$9 million worth of investment and increased exports for Ontario products in one of our priority markets. In 2015, Ontario's total agri-food sales to China, including exports to Hong Kong, reached \$1 billion, representing Ontario's second-largest export market for agri-food products behind the United States.

While we were in China, representatives from more than 200 Chinese companies took part in investment seminars to learn more about the benefits of investing in Ontario, particularly the province's dynamic agri-food sector. Two round-table forums provided opportunities for more than 75 representatives from Chinese companies to discuss what Ontario could do to improve access for Chinese investors. These forums provided an important two-way learning opportunity for all involved.

During the 10-day mission, Minister Chan and I and delegates also met individually with more than 300 agri-food companies interested in investing and trade opportunities in Ontario. Some examples of deals we signed while in China were the Futurevic Global Sourcing and Shijiazhuang Junlebao Dairy Company signing a letter of intent to purchase \$2 million worth of maple products over the next two years.

Ontario's Pillitteri Estates Winery and China-based Hare Wine Co. signed a \$6-million agreement that will bring more Ontario icewine to China and help meet the growing demand for this signature Ontario product. The

investment by the Hare Wine Co. will establish a new vineyard and build a new winery in Niagara-on-the-Lake.

Last November, my former parliamentary assistant—the member from Beaches—East York, member of this committee, MPP Arthur Potts—travelled to Guadalajara, Mexico to represent Ontario and Canada at the 24th agricultural tri-national conference. MPP Potts did a fantastic job ensuring our interests were well represented.

This week, Ontario will be hosting the tri-national conference in Niagara Falls. This year marks the quarter-century anniversary of this annual meeting between Canada, the United States and Mexico. It's Ontario's first time hosting. I can assure you we'll be building bridges and not walls. As the tri-national host, our province will serve as a stage for important discussions on how the three countries can work together to promote increased agricultural market access, trade collaboration and co-operation between our countries.

To further boost our exports and grow market access for our producers and food processors, next month I'll be embarking on my next trade mission travelling to India, the world's third-largest economy and second most populous country. The mission will take place November 13 to 20 and include visits to such communities as New Delhi, Mumbai and others.

This is a follow-up to Premier Wynne's trade mission to India that she led in January 31 to February 5 of this year. Premier Wynne's successful trade mission to India resulted in memorandums of understanding with five India states, all of which included references to agriculture and food processing.

The mission will build on the Premier's successful mission and focus on strengthening agri-food trade relationships with India, home to a rapidly growing economy and growing middle class. When I travel to India, representatives from Canadian trade organizations, commodity groups, food and beverage processors and the feed sector will join our delegation. My ministry will also have staff on hand to provide advice to help agri-food businesses develop their export readiness and help to identify and break into new markets.

Ontario is the home of the largest Indo-Canadian community in Canada. Almost 700,000 Ontarians have connections to India. Ontario has international trade investment offices in New Delhi and Mumbai. The Indian trade mission and previous trade missions to China further support Ontario's Going Global Trade Strategy and speaks to the growth steering committee's recommendation of promoting agri-food products abroad.

As we work to expand Ontario's agri-food exports, we must also work to ensure the integrity of our supply-manage system, an essential piece of our agri-food economy. During the Trans-Pacific Partnership negotiations last year, I travelled to Atlanta to support the supply-manage sector. We will continue to work with our industry and federal partners to find new opportunities from trade deals, but we'll also continue to ensure that the interests of Ontarians, including producers of our supply-manage sectors, are well protected.

Another way we help grow our agri-food sector is by driving domestic demand. We're doing that by showing that good things are grown in Ontario through our government's local food strategy. Our local food strategy addresses the final piece of our value chain: the consumer. Launched in 2013, the local food strategy has a clear vision focused on increasing the consumption of local food.

I noticed when I'm grocery shopping—particularly when I'm at home in Peterborough—something I never noticed a few years ago: Everybody is looking at labels now. They really want to know where their food is coming from, where the content of that food comes from. And we've seen the proliferation of people visiting their farmers' markets on a regular basis.

#### 1740

Launched in 2013, the local food strategy has a clear vision: increasing the consumption of local food. The Local Food Act, the first of its kind in Canada, is a centrepiece of that strategy. We've consistently promoted locally grown food and beverages to Ontarians so that they continue to recognize that good things are grown, harvested and made right here in our very own province. One of our government programs that has successfully been able to do this is Foodland Ontario, which next year will be celebrating its 40th anniversary. This is a significant milestone: a program that has survived governments under three political parties. Foodland's brand recognition can compete with some of the biggest players out there. Consumer recognition of this logo has remained above 90% for the past 10 years. Foodland Ontario has played an important role in generating domestic demand for local foods. They do that through advertising and their branding strategy with retailers and food service companies. Foodland Ontario is therefore playing an important role in supporting our local food strategy.

I'd also like to commend industry stakeholders—our local food champions—like the Ontario Federation of Agriculture, for contributing to our local food strategy with programs like Six by Sixteen, which teaches young people how to plan and prepare six nutritious, locally sourced meals by the time they are 16 years old.

I would also, of course, like to recognize the work of the MPP for Sarnia for coming up with that—farmers who donate to local food banks would receive a tax credit for doing so. That's very important to those families in Ontario who face financial challenges—the kind of challenges that you and I don't face on a day-to-day basis.

We've seen a growing interest in farmers' markets, which oftentimes serve not only as a great way to pick up local produce but also locally made products. To that end, we have invested almost \$4 million since 1999 in Farmers' Markets Ontario to help build capacity in these retail channels, because we know they not only serve as a great way for Ontario consumers to buy local, but also serve as a weekly gathering place for members of the community. Most of my constituency knows that on any given Saturday morning, between 8 a.m. and 10 a.m., I

will be at the farmers' market in Peterborough to pick up local produce and speak with local farmers and, indeed, consumers.

Our government's recent announcement, in May, allowing the sale of VQA wines, craft ciders and fruit wines at farmers' markets has been a welcome addition for Ontario consumers and a way to further draw new customers to these markets. Of course, it's the first fundamental reform of alcohol distribution in the province of Ontario since Prohibition was lifted in 1926.

This past June, we launched our second local food report, which updates Ontarians on our progress with the local food strategy and celebrates some of Ontario's local food champions, including the Algoma Food Network and Fresh from the Farm school program.

I mentioned the local food donation tax credit for Ontario farmers, which was the result of a private member's bill from the MPP from Sarnia. It's a nice way to further support our producers, who exhibit a tremendous amount of generosity. Our egg farmers have donated 144,000 dozen eggs annually. Some 500 dairy farmers produce and donate one million litres of milk each year. And 300,000 servings of fresh Ontario pork, 80,000 of both Ontario beef and turkey, and 400,000 servings of chicken are donated each year by our very generous farmers in the province of Ontario.

Building our support for market access both at home and abroad, we are building up our agri-food sector through strategic investments and research and innovation that allows our entire value chain to increase productivity and develop new markets. Those who believe that farming is not a knowledge-based industry are mistaken. As I tour Ontario farms, I am constantly reminded that our producers are using modern technology and a science-based process to deliver high-quality, safe foods.

Government plays a critical role to foster the sound environment for innovation, investing in foundations for innovation and help to overcome barriers to innovation, and ensure that innovation contributes to public policy.

Going forward to initiatives, I've invested in strategic initiatives that have funded important research for our agricultural sector. This has allowed us to invest in the Vineland Research and Innovation Centre, which, among economic activities, helps support commercialization opportunities for Ontario's horticultural sector.

We've also funded the Agricultural Adaptation Council to administer the Ontario Farm Innovation Program to support on-farm demonstration of innovation projects.

We're quite good at recognizing and celebrating the dynamic innovations developed within our agri-food sector. Later this year, we'll be announcing the 10th annual Premier's agri-food innovation awards. These awards serve as a great opportunity to both showcase some of our most innovative agricultural food-processing projects in the province and to bring other innovators together through regional award ceremonies. To date, we've handed out over 475 awards to recipients across this great province.

I've had the privilege to attend and celebrate local innovators. It is so inspiring to witness the new friend-

ships and business collaborations that evolve in a room full of innovators. Last year, at an event in Baltimore, Ontario, collaboration between innovators led to new product development.

I'd like to turn your attention to the opportunities that lie ahead for the agri-food sector and why Ontario is positioned to be the best place to do business.

As a province, we have the right conditions to attract investments from companies from other jurisdictions. We have the lowest effective corporate tax rate in North America. We have well-maintained infrastructure with our government's historic investments in this area, and it will only get better. We benefit from one of the most educated populations in the world, and, not to forget, we live in an absolutely beautiful province.

Friends, Ontario's agri-food sector is poised to benefit from significant global changes in the 21st century. We have access to some of the largest sources of fresh water in the entire world. A changing climate will bring new opportunities to farmers across the province but will pose new challenges as well. Given the importance of fresh water to the future success of our agri-food sector, we're taking steps to protect our Great Lakes so that the world's largest fresh water source remains healthy.

We're also identifying emergent opportunities for the agri-food sector and laying the groundwork to capitalize on these opportunities.

As many of you know, I'm a resident of Peterborough, Ontario. I like to eat my Quaker oats for breakfast. I know we've talked about getting the oats from northern Ontario—I wouldn't be doing my job if I didn't throw in another reference to Peterborough.

As part of our government's growth plan, my ministry is concluding a series of consultations on the northern agriculture-aquaculture food-processing strategy.

My ministry is also completing the development of 32 digital soil maps from legacy information for the Cochrane-Hearst corridor to support the development of agricultural opportunities in this area.

Ontario has the largest bio-economy sector in the world, which is concentrated in Sarnia-Lambton. It has been an important program focus of my ministry for several decades and has yielded great results. You may wonder what the bio-economy means. It's the manufacturing or use of innovative products made from using inputs like agricultural biomass and agri-food waste, for example.

To help develop Ontario's bio-economy, we have invested in research through our University of Guelph partnership, focusing on bio-economic and industrial uses using GF2 funding to launch and support the Agri-Technology Commercialization Centre and to ensure bio-products are an eligible category for the Food and Beverage Growth Fund.

Ontario has one of the most diverse populations throughout the world, and we look forward to the opportunity to increase local production and the availability of world foods. World crops could mean a boon for Ontario farmers. The estimated potential market demand for

world food crop vegetables in the GTA is approximately \$61 million per month—that's \$61 million per month. That takes into account all vegetables, not just specialty vegetables. In the most recent study of ethno-cultural vegetable demand in the GTA, top vegetable crops include okra, eggplant, bitter melon, bok choy, Chinese broccoli and callaloo. Since my most recent mandate letter includes the development of a world crop strategy, you can bet that work in this area will speed up.

A key element for growing all these opportunities is collaboration. We're working with our industry partners, with our research partners at other levels of government and our indigenous partners to leverage today's talent, knowledge and funding opportunities to build the future of Ontario's agri-food sector.

As I conclude my remarks, I'd like to turn your attention back to the rural affairs side of my ministry. I'm particularly proud to launch a series of rural Ontario summits. The first one was held in 2014 in Cobourg, and it allowed me to reach out to rural Ontarians in different fields to gather a sense of how our province—

**The Chair (Ms. Cheri DiNovo):** Excuse me, Minister. Because of the vote in the House, we will now adjourn until 3 p.m. tomorrow, when we will resume consideration of the estimates of the Ministry of Energy in room 1. We will resume consideration of the estimates of the Ministry of Agriculture, Food and Rural Affairs next week.

We stand adjourned.

*The committee adjourned at 1750.*

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# Official Report of Debates (Hansard)

Wednesday 26 October 2016

# Journal des débats (Hansard)

Mercredi 26 octobre 2016

Standing Committee on  
Estimates

Ministry of Energy

Comité permanent des  
budgets des dépenses

Ministère de l'Énergie



Chair: Cheri DiNovo  
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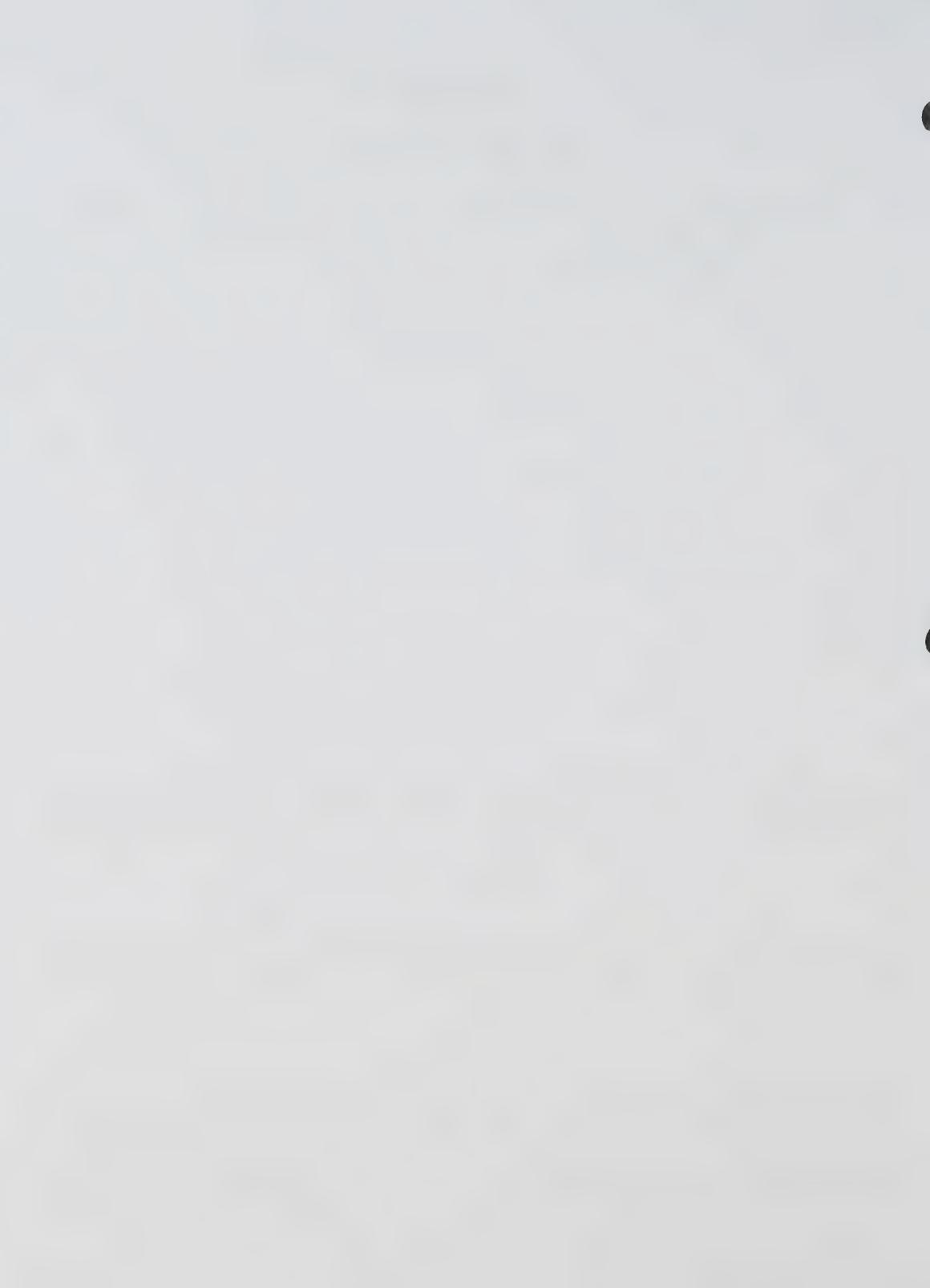


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## **CONTENTS**

Wednesday 26 October 2016

Ministry of Energy .....	E-159
Hon. Glenn Thibeault	
Mr. Serge Imbrogno	
Ms. Kaili Sermat-Harding	
Mr. Michael Reid	



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 26 October 2016

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 26 octobre 2016

*The committee met at 1500 in committee room 1.*

## MINISTRY OF ENERGY

**The Chair (Ms. Cheri DiNovo):** Good afternoon. Pursuant to the order of the House dated October 24, 2016, we are here to resume consideration of vote 2901 of the estimates of the Ministry of Energy. We have been authorized by the House to meet today until the remaining time for the consideration of these estimates has completed. There is a total of three hours and 15 minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from the previous meetings that the minister has responses to, perhaps the information can be distributed by the Clerk. Are there any items, Minister? No? Thank you.

When we last adjourned, the official opposition had 10 minutes remaining in their round of questions. Mr. Yakabuski, the floor is yours.

**Mr. John Yakabuski:** Thank you, Minister, for joining us again this afternoon.

I can't even remember where we were yesterday, so I won't pick up exactly there, but I want to talk about the Windstream case and the \$28 million. I've heard—and I don't want to put words in your mouth, but I'm suggesting that I've heard you say, even in the context of the House, that research with respect to offshore wind was an ongoing pursuit of the government since the announced moratorium, back in 2010, on offshore wind projects. According to Windstream's documents and the federal government's statement at the NAFTA hearings—they would have been relying heavily on the Ontario contribution to that. Ontario would not have been the one arguing the case; the feds would. But Ontario had 20 lawyers; the feds had 10. So I would suggest that Ontario played a huge role there. The federal government's opening statement at the NAFTA tribunal contradicts those statements by you, the previous energy minister and the Premier. In this publicly available document they state, "Ontario's not planning to commence further scientific studies in the near term to address areas initially set out in its earlier plans."

Could I have an undertaking by you, Minister, and the deputy to release to me—and when I say "me," I mean all of us—all relevant documentation to research that was conducted by you, your ministry, the Ministry of the

Environment, the province of Ontario, since that moratorium was issued? Dates, times, what was done, findings and conclusions—could I ask that that all be released to this committee?

**Hon. Glenn Thibeault:** Good afternoon, everyone.

Thank you for that question. I think it's important for me to say, as the new Minister of Energy—and I think my "new" comes off after six months. With Windstream, one of the things that we are doing is carefully reviewing that decision that came forward from the tribunal—and I know that's not the question, but I am bringing this into context. We still believe that our decision to put the moratorium on offshore wind is a correct one. That's why we're continuing to move forward with that cautious approach to offshore wind, which includes finalizing that research to make sure that we are protective of both human health and the environment. The MOECC—and I know the minister can get into some of the details that you're looking to, MPP Yakabuski. In relation to that, we're making sure that we finalize all of that research because we're going to continue to prudently rely on that available scientific research.

**Mr. John Yakabuski:** So would you release all—

**Hon. Glenn Thibeault:** We're going to continue to rely—

**Mr. John Yakabuski:** I apologize, but I have to interrupt. I'm trying to be polite here, and it's not easy.

**Hon. Glenn Thibeault:** I appreciate it, though, John.

**Mr. John Yakabuski:** Would you undertake to release to me—when I say "me," I mean all of us at the committee—all information, all research that has been done to date since that moratorium was issued? Frankly, we agree with the decision. The problem was that the decision you made in the first place—not you personally—the decision that was made to sign a contract that you weren't going to be able to fulfill. You should have done all of that research in advance. Now we're all left possibly holding the bag for \$28 million, but also the potential that the court could still rule that that contract was valid. That's my concern.

I want to move to something else. Would you release all of the research that has been done since that moratorium was issued?

**Hon. Glenn Thibeault:** The specifics relating to the research: I know the deputy can speak to that.

**The Chair (Ms. Cheri DiNovo):** State your name again.

**Mr. Serge Imbrogno:** Serge Imbrogno, Deputy Minister of Energy. The studies that are being undertaken are being done by MOECC and other ministries. The stage at which those studies are under way—I don't know. I think that's a question for MOECC and MNR and the other ministries that are undertaking those studies.

**Mr. John Yakabuski:** It's almost six years. It sounds to me like that's a delay tactic.

We'll move on. Let's talk about Northland Power and the \$95-million award by a lower court, I guess it was, and then it went to the Ontario Court of Appeal, which dismissed the appeal, or stayed the appeal. Now the OEB is taking it to the Supreme Court of Canada.

It's highly unlikely, if the Ontario Court of Appeal saw no reason to even proceed—they stayed the request, at the Court of Appeal, which leaves us on the hook for the money. In fact, that money, I believe, has been retroactively advanced to Northland. They may have to repay it if they lose, but the reality is that they're probably not going to lose. I know you won't comment on the court case, but every court along the line has ruled in their favour. That's another \$95 million.

It was an Ontario regulation that led to the court case. It was a regulation passed by your government that led to the court case. This is another \$95 million. We're hearing every minute about \$70 million over seven years like it was the second coming. Now we have another \$95 million that we could be on the hook for, if this goes through to its end.

Can you tell me—

**The Chair (Ms. Cheri DiNovo):** Mr. Yakabuski, you have about three minutes.

**Mr. John Yakabuski:** My, time flies, eh?

Can you tell me how many other Northland Powers are out there with respect to the decision—and I don't have the regulation. If I had faster eyes—there is a number of that regulation. I did have it—Ontario regulation 398/10. How many other Northland Powers are out there that are affected by this? What is the total amount that Ontario could be on the hook for, if all of those rulings go against us?

**Hon. Glenn Thibeault:** Thanks for the question. From my understanding, the Ontario Electricity Financial Corp., which is under the Ministry of Finance's purview, made a decision relating on how the NUGs were paid. They disagreed with that and went through the court process. Through the court process, it is now once again under appeal. From me having lots of lawyers giving me advice, I'm not able to comment on any of that, because it is under the appeal process right now.

**Mr. John Yakabuski:** But you could tell us what the total amount is that could be at stake here.

**Hon. Glenn Thibeault:** What I've been told very clearly is, because this is under appeal right now, it is not something that I'm able to comment on.

**Mr. John Yakabuski:** So you do know the total amount, but your lawyers are telling you not to comment on that.

The amount that is at stake with respect to Northland Power is public, and we asked questions on it today in

the Legislature. You took one of those questions. It wasn't shuffled off to the Minister of Finance, so you took the question.

1510

**Hon. Glenn Thibeault:** And I answered the same way I just did.

**Mr. John Yakabuski:** Not exactly, but—

**Hon. Glenn Thibeault:** Well, I answered, and then I talked about some of our programs, but I don't think you want me to talk about our programs right now. I know you only have three minutes.

**Mr. John Yakabuski:** Not again, no. I'm fairly familiar with your programs at this point.

So are you saying you don't know how much is at stake, or that you just aren't able to disclose that based on lawyer's advice?

**Hon. Glenn Thibeault:** All I'm saying right now is that because the process is under appeal, I can't comment on anything to do with this file or this case.

**Mr. John Yakabuski:** Wow. It's just amazing how we can have this kind of—yesterday, we find out, and I noticed too that the Premier again said yesterday in the Legislature, "no additional financial impact." But how can you say that when you know that—no additional impact other than the original decision, award, change or whatever—

**The Chair (Ms. Cheri DiNovo):** I'm afraid your time is up, Mr. Yakabuski.

**Mr. John Yakabuski:** Can I get an extra minute?

**The Chair (Ms. Cheri DiNovo):** Sorry. We now move on to the third party: Mr. Tabuns.

**Mr. Peter Tabuns:** Good afternoon, Minister and Deputy Minister.

**Hon. Glenn Thibeault:** Good afternoon.

**Mr. Peter Tabuns:** I was asking yesterday about the Pickering life extension and whether or not the government had actually looked at the cost comparison between conservation on the one hand and the Pickering life extension on the other. You referred me to the Ontario Energy Board filings on the extension. I poked around. I found them. There is no mention of conservation. The only comparison for the Pickering life extension is to combined-cycle or single-cycle gas turbines, not conservation.

Conservation is much cheaper than gas. I understand that gas-fired power in Ontario is around 11 to 12 cents a kilowatt hour. I've seen your numbers showing 3 to 6 cents a kilowatt hour for conservation. Why did you not compare the Pickering life extension to the option of expanding our investment in conservation?

**Hon. Glenn Thibeault:** The deputy was the one who was explaining that piece, so I'll hand that back to the deputy.

**Mr. Serge Imbrogno:** Just a couple of points, Mr. Tabuns. The Pickering life extension: The government has given OPG the green light to pursue the approvals through the regulator, both the OEB and the CNSC, and then to return to the government after we have all the information. I just want to clarify that. They still have to

report back once they have gone through the regulatory process with the OEB and the CNSC.

**Mr. Peter Tabuns:** I'll come back to that question. Your whole thing is conservation first. I hear that all the time. The minister spoke eloquently about it the other day. Why aren't you using conservation as a comparator when you're making decisions on generation?

**Mr. Serge Imbrogno:** When we do our long-term planning, we take into account conservation. When you look at the demand curve, it already takes into account all the conservation that we've put forward. In the \$2 billion-plus that we're going to spend on conservation in this next framework, all that is taken into account. If you were to do it the other way, you would add that back in. We've already taken it into account through all the measures that we've announced that the demand curve would be reduced by that amount. Then, the IESO does their analysis from that basis.

What I'm saying is that we've already taken into account all the conservation when you see the analysis that the IESO does in that piece.

**Mr. Peter Tabuns:** We had this discussion the other day. You're not planning at this point—we'll see what happens with your long-term energy plan—to take advantage of all the conservation opportunities that have been identified. There is a lot more conservation opportunity out there than is currently planned for. Why, when you say conservation is your first option, do you not compare it to life extension for Pickering? Why does it not even feature in the documentation that is put together?

**Mr. Serge Imbrogno:** I think our conservation targets are very aggressive. That's already incorporated. I think the study you're referring to talks about economic conservation if you have no budget constraint. I'm sure you could drive further conservation if there was no budget constraint. I think what we'd do is optimize through the IESO: Where's the best return for your investment? That's what we've built into the plan.

Going forward, as we electrify, for example, there'll be more opportunities for more conservation—more opportunity for different funding from the cap-and-trade proceeds, for example.

At this point, we believe we've captured all of the conservation that's appropriate. Going forward, there's opportunity to do more.

**Mr. Peter Tabuns:** I have to say, the way you appear to be using conservation is, if you need a filler in your graphs, you put it in as a filler. You never compare it to actual generation investments. So if you're making a generation investment here, in a province where people are hard-pressed with high hydro bills, you have an opportunity with conservation to provide electricity services at a much lower price than the extension of Pickering, yet you didn't do that.

Conservation is clearly not first in your assessment of options. Frankly, you could make an assessment of conservation compared to Pickering and, in five years or 10 years from now, as technologies develop, look at other

conservation options to deal with the need for electricity services. Deputy Minister and Minister, conservation is not first. Conservation apparently, in your scheme, is a filler. It is not actually compared to generation.

**Mr. Serge Imbrogno:** I think it's the opposite, because when we do our forecasts of our supply need, we first start with conservation and reduce demand by that amount. Once we reduce demand, then we forecast what additional supply we need. So we actually do start with conservation, reduce the demand accordingly and then we fill in the supply, based on what's left. In doing that, we try and optimize how much conservation is achievable, and that's what the achievable potential study does, from the IESO. Once we've done that, then we fill in the difference with supply.

**Mr. Peter Tabuns:** Minister, if you were going to make the decision around the extension of Pickering—and I'll be interested to hear exactly what you're charging per kilowatt hour for power from that plant—and you have the opportunity to fill that gap with conservation today, why are you not putting conservation on one side of the balance and Pickering life extension on the other and looking to see which is most cost-effective?

**Hon. Glenn Thibeault:** Thanks for the question. To reiterate the piece—I am aware of the time, so I won't reiterate a lot of what the deputy minister was talking about. It is important for me to highlight that the framework specific to this is talking about—we're working on trying to achieve seven terawatts of savings to assist the province in achieving its long-term conservation target of 30 terawatts by 2032. When we're comparing those two, we're wanting to make sure, as the deputy minister said, that conservation does come in first, we reduce that demand and then we meet the needs in our capacity accordingly.

On the specifics of Pickering, I know, Deputy, that you can talk about those costs and those types of things.

**Mr. Serge Imbrogno:** I could provide more detail, if you want, on Pickering.

**Mr. Peter Tabuns:** I will ask specific questions about that.

**Mr. Serge Imbrogno:** Okay.

**Mr. Peter Tabuns:** Moving on to that, in the last long-term energy plan, your projection was closing Pickering by 2020. In fact, in the plan you say that there are opportunities to close it earlier. Why are you extending it to 2024 and why are you doing that without a public consultation on that?

**Mr. Serge Imbrogno:** The IESO is always looking for opportunities to find efficiencies. OPG is also looking for opportunities to run their existing plants more efficiently.

The opportunity exists to extend the life of Pickering. It's not a refurbishment. It's using the existing facility. It's doing more testing to determine if the life could be extended, which is part of the return to the CNSC.

For a marginal investment in extending the life of Pickering, we're able to continue with that zero-GHG-emission power. We'll save money, because it will be

extended at the existing relatively low price for nuclear power. That saves us money, going forward. The IESO analysis says, on a system-cost basis only, that it's \$600 million. That doesn't include the additional GHG reductions. It doesn't include extending the workers at Pickering as well. There are other economic benefits that we haven't incorporated into that \$600 million. We think that for a modest increase in extending the life, we have a large benefit.

**Mr. Peter Tabuns:** Just to be clear, you have not yet made a final decision to extend to 2024. Is that correct?

**Mr. Serge Imbrogno:** That's correct. We've given OPG the authority to go forward, to go through the OEB, and also to the CNSC for regulatory approvals, and then to return, closer to 2017, I believe, for a final decision.

**Mr. Peter Tabuns:** That will be a decision made at the cabinet level?

**Mr. Serge Imbrogno:** It will be made by the minister and, I would suggest, at the cabinet level as well.

1520

**Mr. Peter Tabuns:** Are you currently in the process of putting in place plans should the CNSC or the OEB give you a red light on this?

**Mr. Serge Imbrogno:** That's the job of the IESO. They would take into account all of the different options and be ready in case we go one way or the other. That's something that the IESO does. It's part of their job.

**Mr. Peter Tabuns:** So are they doing it?

**Mr. Serge Imbrogno:** Yes, that's what they do.

**Mr. Peter Tabuns:** They do all kinds of things. Sometimes, they may miss something. Can you tell us that they are currently planning for contingencies in case they don't proceed with the Pickering extension?

**Mr. Serge Imbrogno:** The IESO is planning for contingencies in all events in Pickering's service life. Whether it's shorter or longer would be one of the contingencies that they would take into account.

**Mr. Peter Tabuns:** And do you know what the contingencies are—what they are currently planning as the alternatives to the life extension?

**Mr. Serge Imbrogno:** I don't know. There are contracts that are coming due that they could extend. There are other measures that they could take. I don't know the specifics.

I guess that an obvious one would be to continue to run the gas plants that are currently running, which we were going to get the GHG reductions from. That's always an option for the IESO, but one that we're trying to reduce in order to reduce the GHG footprint.

**Mr. Peter Tabuns:** What is the cost per kilowatt hour of power from the Pickering reactors? I gather that four of them are at one cost and two are at a different cost. What is the cost?

**Mr. Serge Imbrogno:** It's estimated in the \$65-per-megawatt-hour range.

**Mr. Peter Tabuns:** That's the average between all six of them?

**Mr. Serge Imbrogno:** When we extend the life of Pickering, that's what we're forecasting for the cost of the production.

**Mr. Peter Tabuns:** So \$65 per megawatt hour for production as a whole?

**Mr. Serge Imbrogno:** That's correct.

**Mr. Peter Tabuns:** And there's no differentiation between the reactors?

**Mr. Serge Imbrogno:** They would just get the price that the OEB provides—the nuclear rate.

**Mr. Peter Tabuns:** I've seen in the past a price of nine cents per kilowatt hour for power from two of the reactors at Pickering. You're telling me that that's not the case?

**Mr. Serge Imbrogno:** I don't know where that number comes from. I think that Pickering's performance has improved dramatically, so you may be referring to an older number.

**Mr. Peter Tabuns:** So you're currently saying \$65 per megawatt hour?

**Mr. Serge Imbrogno:** That's the forecast of what the price would be for the extended terawatt hours that we'll be receiving.

**Mr. Peter Tabuns:** Is the government of Ontario currently seeking to negotiate an electricity supply contract with Hydro-Québec which would permit Ontario to close Pickering earlier?

You were able to get something like five cents a kilowatt hour in the most recent deal, according to La Presse. This is six and half cents a kilowatt hour. Are you looking at a deal to give us lower-priced power, as opposed to that extension?

**Hon. Glenn Thibeault:** I think that, when it comes to the deal that we announced with Quebec last week, we were pretty excited at the deal that we were able to get. The two terawatts that we are getting now, we're going to target, as mentioned, to our natural gas utilities during peak times. We're helping them, doing the 500-gigawatt swap in their peaking hours, and then we're going to do the storage component as well.

I think that it's important for us to say that we're always going to look at opportunities that present themselves with Quebec in relation to where that goes. We just finished a three-year deal. I think that we're all taking a breath right now. But it's important for us to—

**Mr. Peter Tabuns:** Minister, I think that you're getting off-track from my question. Are you looking now, given that you were able to get a good price from Quebec, at a cheaper price than the one that the deputy minister just cited for the Pickering plant?

**Hon. Glenn Thibeault:** I was going to say, in answer to your question, the importance for us to continue working with Quebec on all aspects—I don't think that any door is shut. I think that this three-year agreement that we've been able to come forward with is exciting news for Ontario because it just shows that we can continue to have negotiations with Quebec. But any of those specifics, Deputy?

**Mr. Serge Imbrogno:** I'll just add—

**Mr. Peter Tabuns:** No, I would like to go back to the minister, sorry.

I'm not talking about doors open or closed. Are you negotiating with Quebec right now to follow up on that

five cents a kilowatt hour—which is cheaper than Pickering—to see if you can replace power from Pickering that we will be paying a lot more for until 2024?

**Hon. Glenn Thibeault:** As I was saying, the agreement that we had over the last three years was a landmark deal. We're excited to have the opportunity to have this deal with Quebec. The IESO and Hydro-Québec were the two entities that sat down and had that conversation. I know the IESO is always in negotiations and always looking for ways to benefit the province. But when it comes to those specifics, I do believe that the deputy would have more details for you.

**Mr. Peter Tabuns:** Are they negotiating a deal to replace the power from Pickering?

**Mr. Serge Imbrogno:** I would just add that the power from Pickering is different in the sense that—it's baseload power, but it's 24/7/365 and an 80%-plus capacity factor. So this is our baseload power. The negotiations with Quebec were really at the margins to try to reduce our gas burn, so it's not throughout the year. It's a different type of negotiation. That's why Pickering provides us with such an important part of extending that life, because of the type of power we get and when we get it.

**Mr. Peter Tabuns:** So you're not negotiating with them.

**Mr. Serge Imbrogno:** I think we always have discussions between the IESO and Hydro-Québec—

**Mr. Peter Tabuns:** But you're not negotiating with them right now to see if you can replace some or all of the power from Pickering with lower-cost power from Quebec. Is that correct?

**Mr. Serge Imbrogno:** I wouldn't frame it that way. I would just say that—

**Mr. Peter Tabuns:** Well, you can say no.

**Mr. Serge Imbrogno:** The other thing, the minister and I haven't confirmed that it's five cents, just to make that clear.

**Mr. Peter Tabuns:** No, I understand. It was La Presse who did the calculation: the number of years, the total amount of power, the total price. You do the math; you do the division.

If you have a different price, I'm quite happy to have you put it on the table today.

**Mr. Serge Imbrogno:** No, I just didn't want to give the impression that we were confirming it was five cents or not. We'll leave it to—it was in La Presse.

**The Chair (Ms. Cheri DiNovo):** Mr. Tabuns, you have about four minutes.

**Mr. Peter Tabuns:** Thank you.

So you're not negotiating with Quebec to try to replace some or any of the power from the Pickering life extension.

On another matter related to Pickering, the International Atomic Energy Agency, when talking about decommissioning of facilities, says that best practices call for immediate dismantling of a plant that has been shut down on the basis that there's no safety advantage in waiting decades to start the process. Are you planning to tell OPG, when Pickering is shut down, to start

dismantling it so it's in line with the International Atomic Energy Agency's standard recommendations?

**Mr. Serge Imbrogno:** The plan right now for Pickering, like all the other nuclear facilities—the CNSC reviews those plans and approves those plans and the OPG sets aside funds for decommissioning and for used fuel disposal. The CNSC has approved a 30-year safe storage period. That allows the facility to sit for 30 years and then we begin the decommissioning. So that's approved by the CNSC, and OPG funds according to that plan.

**Mr. Peter Tabuns:** Do you have the funds now to decommission or do you have to wait 30 years for interest to accumulate to be able to decommission?

**Mr. Serge Imbrogno:** There are two parts of the funds that have been established. There are the funds for decommissioning and there are funds for the used fuel disposal. The Ministry of Finance through the OFA manages those funds, along with OPG. There's full disclosure. I believe the decommissioning funds are fully funded and then the used-fuel funds, over time, will be invested and contributed to in order to be fully funded. But that information is available.

**Mr. Peter Tabuns:** So the funding is available for doing a decommissioning consistent with international best practices. That's what you're telling me.

**Mr. Serge Imbrogno:** Consistent with what the regulator requires.

**Mr. Peter Tabuns:** I'm sure the regulator doesn't see a big problem giving you a 30-year pass, but I'm sure the regulator may also be totally open to having you do it very quickly, because there's a job creation opportunity here in Pickering that would put an awful lot of people to work. Is there a reason that you're not going to do it now, in 2024 or earlier, which would put a lot of people to work?

I'm glad to hear that there's money in the kitty so that we actually could do it now, if we wanted. That's great.

**Mr. Serge Imbrogno:** Every five years, the liability estimate is updated and OPG goes before the regulator. I guess there will be opportunity for the regulator to determine a different course, but OPG would provide its evidence and best advice on how to move forward with decommissioning. I don't think there are any plans to change that from a 30-year safe storage to a prompt decommissioning.

1530

**Mr. Peter Tabuns:** Is there a reason you wouldn't take advantage of this job creation opportunity?

**Mr. Serge Imbrogno:** I think there are pros and cons. We leave it up to the regulator to provide whatever they believe is the best course. I think the longer you have the safe storage, the longer you can accumulate the funds and invest them and have that money available for decommissioning.

**Mr. Peter Tabuns:** But I gather it's fully funded now, correct?

**Mr. Serge Imbrogno:** Well, there are assumptions about when you do the decommissioning and what

you're going to get when you invest those funds over the next 30 years. All of those things are factored in.

**Mr. Peter Tabuns:** So it's not fully funded now. It's fully funded if we have 30 years of interest accumulation on it.

**Mr. Serge Imbrogno:** Well, we would classify it as fully funded.

**Mr. Peter Tabuns:** And that means the money could be used to decommission within the next five years, within the next eight years.

**Mr. Serge Imbrogno:** No, they would be fully funded according to the plan that you have in place, that they would be available 30 years from when you start.

**The Chair (Ms. Cheri DiNovo):** I'm afraid your time is up now, Mr. Tabuns. We move to the government side: Mr. Dong.

**Mr. Han Dong:** Good afternoon, Deputy. Good afternoon, Minister. I want to talk about the Green Energy Act, because it actually made Ontario a leader in clean energy. From my experience travelling, I've seen emerging economies and jurisdictions that, although they're doing well in terms of GDP, do pay a hefty environmental cost, and health care costs as well. I think that as globalization deepens, entrepreneurs and innovative minds will pick and choose where they want their families to reside. That's why Ontario and Canada keep being, perhaps, some of the most popular destinations for immigration. Just thinking on the reverse side of that, there are countries that are losing talent and entrepreneurs, and it partly has to do with the quality of air and water and all of these basic necessities to provide for their families.

I'm very pleased that the Green Energy Act has actually made us a leader in clean energy. I wanted to ask the minister for your thoughts on how Ontario has benefited from integrating these renewable energies into our system, and whether or not other jurisdictions are following our path to achieve cleaner energy systems, if you can give us some explanation.

**Hon. Glenn Thibeault:** Sure. Thanks for the question. I think it's important to talk about our commitment to renewable energy. We currently have 18,000 megawatts of power contracted or online. That's very, very important to say because we've seen significant reductions in GHGs that relate to that.

Another important thing in relation to your question is how we eliminated our coal-fired plants. When we stopped polluting our air, the benefits that we're seeing in health care—we're talking about \$4.3 billion in savings in health care. The Toronto's Vital Signs Report talked about how we've seen a 41% reduction in air pollution deaths. That's significant and something that we should all be proud of in relation to our investments that we've made when it comes to green energy and the importance of having a clean, reliable system. Some of the specifics on what we've done since 2003, even—I know, Deputy, that you can get into some of those details.

**Mr. Serge Imbrogno:** Yes, thank you. I was going to ask Kaili Sermat-Harding, our ADM who works in the

renewables division, to come up and say a few words, but I would just say, as the minister said, we have 18,000 megawatts of solar and wind energy, bioenergy and hydroelectric energy.

In terms of other jurisdictions, our Independent Electricity System Operator has been able to integrate renewables into our grid. I think we're looked upon as a leading jurisdiction for that. One part of the piece that some people forget is how the IESO has been able to integrate wind and solar into our system.

But I'll let Kaili walk you through the investments we've made over time and how they've contributed to our greenhouse gas reduction.

**Ms. Kaili Sermat-Harding:** Thank you, Deputy. My name is Kaili Sermat-Harding. I'm the assistant deputy minister of the conservation and renewable energy division at the Ministry of Energy. I appreciate the opportunity to dive into some of the details around the initiatives that Ontario has been pursuing, as well as to put it into a bit of global context and outline some of the very tangible benefits that have come about as a result of our series of initiatives.

In 2013, wind and solar power represented 8% of Ontario's energy supply mix. Today they comprise approximately 17%, and are expected to rise to approximately 23% by 2025. To date, as the minister mentioned, Ontario has over 18,000 megawatts of wind, solar, bioenergy and hydroelectric generation contracted or online. Of the almost 16,000 megawatts of renewable energy that is online, that includes 4,500 megawatts of wind power, roughly 2,200 megawatts of solar PV, approximately 8,800 megawatts of hydroelectric capacity and roughly 500 megawatts of bioenergy.

The province is home to five of the 10 largest wind projects in Canada as of the end of the 2015 calendar year, more than 99% of all installed solar PV capacity in the country, and the largest 100% biomass facility in North America at the Atikokan Generating Station.

Ontario has established itself as a leader in renewable energy through a variety of initiatives, including the Green Energy Investment Agreement, the feed-in tariff and microFIT programs, the large renewable procurement program and net metering.

With respect to the Green Energy Investment Agreement, Ontario's partnership with Samsung through the agreement, referred to as the GEIA, has supported the creation of a strong and thriving clean energy industry in the province. The agreement set a framework to build renewable energy projects and manufacturing plants in Ontario. It was signed in 2010 between Ontario and Samsung, with amendments negotiated in 2011 and 2013.

In June 2013, the ministry worked collaboratively with Samsung to update and revise the agreement, and this resulted in reducing contract costs by \$3.7 billion. The revised agreement includes protecting the original agreement's job commitments and adding a commitment to solar manufacturing jobs in 2016, reducing the agreement's total commitment for renewable energy projects from 2,500 megawatts to 1,369 megawatts and requiring

Samsung to obtain municipal council support resolutions for the remaining projects to come forward under the agreement.

The agreement has led to a number of significant investments in Ontario to create jobs in the province, while also bringing clean renewable energy into our electricity system. Samsung has partnered with manufacturers in Ontario to produce renewable energy components for projects across the province, including Samsung's own renewable projects under the agreement.

Samsung's investment has helped attract world-class companies like Siemens, CS Wind, Canadian Solar and SMA, helping Ontario to become a global leader in the industry. Four of the more than 30 solar and wind manufacturers operating in Ontario were established in partnership with Samsung, resulting in the creation of 900 direct jobs at its partner manufacturing facilities in Toronto, Tillsonburg, London and Windsor.

Under the agreement, Samsung's commitment for renewable energy projects includes 1,069 megawatts of wind power and 300 megawatts of solar through 10 projects across the province. Some 869 megawatts of wind and 200 megawatts of solar have already come online, with more scheduled to start in the near future. In total, these projects will add enough electricity each year to power approximately 300,000 homes.

Samsung is also making significant contributions to local communities where their projects are located. For example, the Six Nations of the Grand River is a 10% equity partner in the Grand Renewable Energy Park located in Haldimand county. The project consists of 149 megawatts of wind energy capacity and 100 megawatts of solar capacity. The equity arrangement with Six Nations is expected to generate no less than \$65 million for the community over the next 20 years.

#### 1540

The 270-megawatt South Kent Wind project in the municipality of Chatham-Kent is another example of a project developed by Samsung that is providing benefits to the local community. The project helped create local jobs in Ontario, with over 1,000 workers contributing to the project, from the manufacturing and assembly of the wind turbine components to site construction. The project also contributed to the establishment of the South Kent Wind community fund. Administered by the Chatham-Kent Community Foundation, the fund will support community resilience and prosperity by funding initiatives in five key areas, including community, environment, health and wellness, youth and education, and First Nation and Métis initiatives.

The province recognizes the investments that Samsung and other companies have made in Ontario's renewable energy sector over recent years and the opportunities these investments have provided to communities across the province.

Turning to other initiatives, the feed-in tariff program provides standard prices, contract terms and program rules that apply to all participants, which may include municipalities, public sector entities, co-operatives,

indigenous communities and companies. Since the introduction of the FIT program in 2009, over 3,200 megawatts of clean, renewable energy have been brought online, with another 1,400 megawatts under development.

Last year, the ministry published an update to its Renewable Energy Development in Ontario: A Guide for Municipalities, which is available on our website. It included several examples of the many successful projects implemented under the FIT program. One of these examples is the town of Mono, which installed a 100-kilowatt solar photovoltaic system on the roof of the town's public works garage in 2014. The town estimates that the project will generate a total of 138 megawatt hours of electricity annually and that they will receive a net revenue of approximately \$800,000 over the span of the FIT contract. Another example is the Perley and Rideau Veterans' Health Centre, which is a not-for-profit centre focusing on providing quality care for veterans and seniors in Ottawa. The centre completed a \$6.6-million facility renewal program, including more than 100 energy retrofits and the installation of 1,200 solar PV panels under the FIT program, with a generating capacity of 250 kilowatts. The solar project, which went into operation in May 2014, is expected to generate revenues of more than \$200,000 per year for the facility.

Most recently, in June of this year, the IESO announced 936 FIT 4 contract offers, totalling 241 megawatts of generation capacity, including:

- 907 solar photovoltaic projects, representing 232.26 megawatts;
- 14 bioenergy projects, representing 3.45 megawatts;
- six wind energy projects, representing three megawatts; and
- nine water power projects, representing 2.72 megawatts.

These FIT 4 contracts have been offered to developers, co-operatives, municipalities and indigenous communities. And that includes—870 projects, representing 216 megawatts, received municipal council support resolutions; 413 projects, representing 67 megawatts, have municipal or public sector entity participation; 186 projects, representing 60 megawatts, have community participation; and 96 projects, representing 41 megawatts, have indigenous participation.

Procuring 241 megawatts under FIT 4 at 2016 prices has resulted in a total contract cost reduction of approximately \$250 million, compared to 2015 prices. FIT 4 applicants also had the opportunity to gain priority points by electing to reduce the base price available in the FIT price schedule by one of three optional tiers. Some 52% chose to apply for price reduction priority points, representing all three available price reduction tiers, leading to approximately \$31 million of additional cost reductions achieved through the voluntary price reductions as part of FIT 4.

On April 5, 2016, the IESO was directed to launch FIT 5, with a procurement target of at least 150 megawatts for small, renewable projects greater than 10 kilowatts and

up to 500 kilowatts in size. Any capacity that becomes available as a result of prior microFIT or small FIT contract terminations will be added to this base target, and the IESO will determine the amount of any such additional capacity and publish the FIT 5 procurement target by December 31 of this year. The IESO is planning to open the FIT 5 application period on October 31 and run it until November 18, 2016.

With respect to the microFIT program, it is designed specifically to encourage the development of micro-scale renewable energy projects 10 kilowatts or smaller, such as residential solar PV installations. Since the introduction of the microFIT program in 2009, over 24,000 projects have been brought online, representing over 200 megawatts of power. The 2016 microFIT procurement target is 50 megawatts, with applications being accepted until the end of the year. There will also be a 50-megawatt procurement target for the microFIT program in 2017. The program is expected to conclude at the end of 2017.

Through annual price reviews of both the FIT and microFIT programs, Ontario has continued to reduce costs. Since the programs were introduced in 2009, prices for new solar projects have been reduced between 50% and 75%.

The competitive large renewable procurement process is another important initiative replacing the large FIT program for renewable energy projects generally larger than 500 kilowatts. In June 2013, the minister directed the IESO to end the procurement of large renewable projects under the FIT program and replace it with a competitive procurement process that would take into account local needs and considerations before contracts are offered.

The first phase of LRP had an overall procurement target of up to 565 megawatts, which included up to 300 megawatts of wind, up to 140 megawatts of solar PV, up to 50 megawatts of bioenergy and up to 75 megawatts of water power.

**The Chair (Ms. Cheri DiNovo):** Mr. Dong, you have about four minutes left.

**Mr. Han Dong:** Thank you, Chair.

**Ms. Kaili Sermat-Harding:** On March 20, 2016, the IESO released a list of 16 contracts that were offered under the first phase of LRP, representing nearly 455 megawatts of renewable energy capacity. Of the 16 contracted LRP I projects, more than 80% include participation from one or more indigenous communities, including five projects with more than 50% indigenous participation. In addition, 75% of the successful LRP I projects received support from local municipalities, and more than 60% had support from at least 75% of abutting landowners.

In light of the Ontario Planning Outlook, which was provided to the ministry on September 1 and advised that Ontario would benefit from a robust supply of electricity over the coming decade to meet projected energy demand, the minister directed the IESO to suspend the second round of LRP. The decision will maintain system

reliability while saving up to \$3.8 billion of electricity system costs relative to the 2013 long-term energy plan forecast.

The ministry's consultations now under way on the long-term energy plan will provide an opportunity for a province-wide discussion on future energy demand and the need to meet the demand with clean, reliable and affordable supply.

Turning to net metering, Ontario's 2013 long-term energy plan committed the ministry to examine the potential to transition microFIT from a generation purchasing program to a net metering program. Ontario has had a net metering regulation in place since 2005, and the ministry is currently in the process of updating and streamlining the Net Metering program in order to support customer choice in generating clean, renewable energy, align with value to the system and enable innovative technologies and customer utility relationships.

The ministry is taking a phased approach to updating the Net Metering program. Phase 1 includes proposed updates that were posted on the environmental and regulatory registries from August 9 to October 6. The updates include proposed regulatory amendments that would, for example, adjust the net metering bill credit carry-over period to 12 months; allow any-sized renewable energy generation system, subject to the system being used primarily for the generator's own use; and allow for the use of energy storage when paired with renewable energy generation.

The ministry is currently reviewing the feedback it received in response to the postings. If implemented, the amendments are proposed to take effect July 1, 2017. For phase 2, the ministry is planning to consult further this fall on potential longer-term program updates that may require legislative amendments.

To put Ontario commitments and initiatives into a global perspective, Ontario is not the only jurisdiction with programs supporting the development of renewable energy. Globally, 110 jurisdictions are using feed-in tariff programs to stimulate the development of renewable energy, something Ontario has been doing successfully since 2009. Ontario's move to purchase large-scale renewable energy projects through a competitive process is also mirrored in other countries, such as Germany, France and Poland. As of the end of 2015, at least 64 countries had held competitive renewable energy tenders.

1550

As Ontario updates its Net Metering program, other countries around the world are following a similar path, with over 50 having net metering policies in place.

Significant investment in renewables is a growing global trend. An estimated 147,000 megawatts of renewable power capacity was added in 2015 alone, marking the sixth consecutive year that renewables outpaced fossil fuels for net investment in power capacity additions.

Wind power was the top source of new power-generating capacity in Europe and the US in 2015. Globally, a record 63,000 megawatts was added. Emerg-

ing economies are also investing heavily in wind, with Brazil adding 2,800 megawatts and India adding 2,600 megawatts in 2015.

Solar PV is experiencing significant growth as well, with a record 50,000 megawatts added in 2015. While major economies like China, Japan and the US account for the majority of new capacity added, significant investments in solar PV are also happening in countries like Chile, where 400 megawatts—

**The Chair (Ms. Cheri DiNovo):** Thank you. I'm afraid your time is up.

We now move to the official opposition: Mr. Yakabuski.

**Mr. John Yakabuski:** Don't go away, ADM. I'm sure that my friend on the other side, Mr. Dong, will be able to repeat everything you said, with no problem, within the next half hour. He'll remember every project that you spoke about, because he was listening so attentively when he asked that question that he had deliberated over so long before presenting it to you. So we certainly appreciate that very, very thorough answer to that question.

**Ms. Sophie Kiwala:** I'm sure you'll remember all the details too.

**Mr. John Yakabuski:** A couple of things you mentioned—and correct me if I'm wrong, because you were giving a lot of numbers there in very short order: You said that currently, if I'm not wrong, that the capacity of solar and wind was about 16% of Ontario's capacity.

**Ms. Kaili Sermat-Harding:** Yes. Today they comprise approximately 17%.

**Mr. John Yakabuski:** It's 17%. I was off by 1%; look at that. Of the energy generated, what percentage of Ontario's energy would be generated by wind and solar?

**Ms. Kaili Sermat-Harding:** I'd have to check.

**Mr. Serge Imbrogno:** If you check our LTEP modules, they provide you with that information—

**Mr. John Yakabuski:** I thought she'd covered everything, but I must have missed it.

**Ms. Kaili Sermat-Harding:** No, I was talking about capacity, and new-capacity additions. I wasn't talking about generation.

**Mr. John Yakabuski:** Do you have an idea of how much of our production came from those two sources?

**Mr. Serge Imbrogno:** We probably have it in our OPO. We could check, if you want us to give you that precise number.

**Mr. John Yakabuski:** Okay. I'm trying to determine here—what capacity of our system is nuclear: about 30%?

**Mr. Serge Imbrogno:** I think it's higher than that.

**Mr. John Yakabuski:** A little higher than 30?

**Mr. Serge Imbrogno:** In terms of capacity.

**Mr. John Yakabuski:** Capacity. So what's our total capacity in the province?

**Mr. Serge Imbrogno:** In the 40,000-megawatt range.

**Mr. John Yakabuski:** It's 40,000 megawatts? And you're saying we have a nuclear capacity of greater than a third of that?

**Mr. Serge Imbrogno:** That's correct.

**Mr. John Yakabuski:** You're counting all units—

**Mr. Serge Imbrogno:** In terms of capacity, and then, on the energy side, given that nuclear runs close to 90% of the time, it will produce more energy. So it's closer to 59% of our energy and about 40% of our capacity.

**Mr. John Yakabuski:** You're saying 40%. I think it might be a little lower, but—

**Mr. Serge Imbrogno:** In that range.

**Mr. John Yakabuski:** I think it might be a little lower than that. Okay, so that's interesting. Production is much higher than its capacity, from the nuclear side, for Ontario's needs. Production outstrips its capacity. It outperforms its capacity.

**Mr. Serge Imbrogno:** The system is built on different types of generation: the baseload, the intermediate and the peaking. Each one serves a purpose. Nuclear power serves the baseload need because it runs best when it runs all the time, and it produces a lot of energy.

**Mr. John Yakabuski:** We know how it works.

**Mr. Serge Imbrogno:** I just wanted to clarify.

**Mr. John Yakabuski:** It outperforms its capacity. Okay, so that's—

**Mr. Serge Imbrogno:** It's a percentage. You asked me what per cent of the total capacity. I think that's what you asked me.

**Mr. John Yakabuski:** For value for money, nuclear punches way above its weight.

**Mr. Serge Imbrogno:** The system is built on different types of generation, and the baseload capacity is an important part of our system, so it contributes a significant amount of energy, I guess.

**Mr. John Yakabuski:** You must have a hard time ordering in a restaurant, eh? Sometimes you just have to answer the question, you know.

**Mr. Serge Imbrogno:** Well, I'm providing you with the context, because each of the generation sources provides different types of benefit to the system.

**Mr. John Yakabuski:** Yes, I'm trying to help you here. Anyway, let's go back to a more favoured subject. Assistant Deputy, I think I'm going to be done with those questions at this point.

I want to go back to the Windstream, the Northland Power, the IESO pension issues. We're talking over \$200 million here now that the electricity ratepayer could be on the hook for. As you said the other day, Deputy, whatever costs are borne by the system are borne by the ratepayer. Is that pretty much it?

**Mr. Serge Imbrogno:** Yes. The costs of producing electricity, whether it's labour, capital costs, fuel costs—

**Mr. John Yakabuski:** Whatever costs are borne by the system are borne by the ratepayer.

**Mr. Serge Imbrogno:** Yes. There are—

**Mr. John Yakabuski:** Good, good, good. Hey, that's progress. "Yes." I appreciate that. A good, clean answer. I've got to write that down.

That being the case, every time the government messes up, makes a mistake, does something wrong, whether it's by accident or by design—those are always

matters of opinion, and we may see things differently—every time that something like that happens that adds a cost to the system, the ratepayer, at the end of the day, pays the bill. If it adds costs to the electricity system, the ratepayer pays the bill. Fair enough?

**Mr. Serge Imbrogno:** I think we've said that if it's part of the production costs—salaries, benefits—

**Mr. John Yakabuski:** It's got nothing to do with production. No matter what happens, if it adds costs to the operation of our electricity system here in the province of Ontario, it is passed on to the ratepayer.

**Mr. Serge Imbrogno:** If it's part of the cost of producing electricity, it would be passed through to the rate base.

**Mr. John Yakabuski:** I think that's about as good as I'm going to get. I'll have to accept that.

Anything that goes on, the ratepayer ultimately is responsible. The ratepayer has got nothing to do with it. The ratepayer has got nothing to say. The ratepayer has no input. The ratepayer doesn't give the old Roman gladiator, emperor, whatever, up/down signal at the Colosseum, and makes no decisions. But at the end of the day, they ultimately bear the cost of every decision that is made with respect to the energy system. You don't have to answer that, because that's more or less a statement. You've already answered it previously.

One of the first questions we talked about was the \$12 million for consultants and advertising with regard to the Ontario Electricity Support Program. I thought we had an undertaking that I was going to get the information on those contracts. I haven't seen anything yet. My colleague Mr. Tabuns is either more persuasive or asks better questions, but he got his information like that, on the Bruce refurbishment deal. My understanding is that you did commit to getting me that information. I think Mr. McLellan could confirm that. I'm waiting for that. I was hoping that I'd have that prior to the end of these hearings, and today, of course, is the last day. Is there some sort of a holdup, administratively? What's the story?

**Mr. Serge Imbrogno:** I believe I committed to getting those, what's publicly available. On the OEB website, they list all their procurements and who was the successful proponent, and so—

**Mr. John Yakabuski:** No, we wanted to know the information about what specifically they're asked to do in those contracts, because we need to be able to make the determination as to whether we thought that money was money well spent, or whether it was money spent in a friendly way.

1600

**Mr. Serge Imbrogno:** On that website, it also gives the details of what they asked each of the proponents to do. That's available on the OEB website.

**Mr. John Yakabuski:** I am very poor with computers. I was hoping you'd do that for me. You said maybe you'd do it for me. You know exactly where to look. Even Mr. Tabuns, who's better with computers than me, asked you to wend your way through the minefield

and the maze and get us the information we're asking for. Are you going to do that?

**Mr. Serge Imbrogno:** Absolutely.

**Mr. John Yakabuski:** Thank you very much.

I'm going to pass this over to my colleague Mr. Smith. He has some questions to ask, and I don't even know what they are.

**Mr. Todd Smith:** Neither do I. I wasn't ready. I thought you were going to go there.

Good afternoon, Minister and Deputy Minister.

**Hon. Glenn Thibeault:** Good afternoon.

**Mr. Todd Smith:** We're in the home stretch here, I guess. Minister, I just want to ask you a couple of general questions. You don't necessarily need the Deputy Minister to answer these.

Do you agree with the Premier when she says that Ontarians are "bad actors" when it comes to climate change?

**Hon. Glenn Thibeault:** I think the Premier has been very clear when she spoke in the House and answered that question previously—and to the media. She apologized for using that language, because it wasn't the intention as to the way it came out.

But I think we all agree that we all have to do a better job when it comes to addressing climate change. You and I, I think, will agree on that. When it comes to climate change, I know that we'll have a difference of opinion on how we need to get there, but we all need to figure out what we can do—not necessarily even as politicians, but as humans—to make sure that we address this.

**Mr. Todd Smith:** So do you think, then, that it would be helpful, Minister, if we as individuals in Ontario, whether we're bad actors or not, were made aware of what our carbon footprints were as individuals? If the Premier is going to call us bad actors, I think it would probably be helpful for us to understand just how bad of an actor we actually are. Do you agree that we should have some kind of an idea about our carbon footprint?

**Hon. Glenn Thibeault:** I think it's important that Ontario continue to play a leadership role when it comes to climate change. We've been doing that. We have eliminated coal. We brought on 18,000 megawatts of renewables. We have our conservation programs in place. Every single person, everyone in in this province—it's not just individuals, right? It's businesses as well. We just had AMPCO here yesterday. I'm sure you had the opportunity to see some of those great folks that are on the hill. I know there are some great companies in your riding. They understand the importance of addressing climate change as well.

**Mr. Todd Smith:** The Premier's comments disparaging Ontarians as bad actors—she has kind of apologized for it, or she said that maybe she shouldn't have used those words, but when she made those comments, she specifically referenced our individual carbon usage. The climate change action plan, which the Premier has directed you to harmonize with the LEEP in your mandate letter, is based on a somewhat similar premise.

Do you think that Ontarians have to take individual responsibility for their carbon consumption? Do you think they should know how much they are using?

**Hon. Glenn Thibeault:** What I think about what people need to do when it comes to addressing climate change isn't the end-all and be-all. It's people recognizing that we need to make a better world for our next generation. I know our First Nations always talk about thinking about seven generations, and we need to start doing a lot more of that.

From individuals and small businesses to large industrial, everyone needs to play a part, and we've been doing that in Ontario. We should be proud of our record. We are global leaders. We have been doing a lot of that heavy lifting. We have been partaking in many of the programs that have been signed and talked about worldwide.

Is there more that we can do? Sure there is, but I think we're on the right track. When it comes to energy, we've done a lot of that heavy lifting. We've done some great things, as I talked about: the elimination of coal, bringing on 18,000 megawatts of wind, and then the Quebec deal with the two terawatts.

**Mr. Todd Smith:** I know, and we've gone over that a million times, but—

**Hon. Glenn Thibeault:** Well, you haven't asked a question about it yet in the House.

**Mr. Todd Smith:** No, no. I'm asking you about—you know of the letters that have gone out from Hydro One saying that you're using more or you're using less than your neighbour, but do you not think it would be beneficial to me to know what my carbon footprint is as an individual?

**Hon. Glenn Thibeault:** Are you asking about the social benchmarking that was being done by Hydro One?

**Mr. Todd Smith:** No, I'm just wondering, in general, do you think it would be a good idea to know—

**Hon. Glenn Thibeault:** Because I know Hydro One is doing that social benchmarking, which is talking about "neighbour A and neighbour B" comparables. For those who have been part of this pilot project, they actually like to be able to know what is happening.

Within the framework of Hydro One, I know they were doing that pilot project and using some comparables. Greater Sudbury Utilities, for example, sends me information as to what my usage is compared to my neighbours. It allows individuals to look at if there are other things that they can do to help with climate change. I think, as I said before, that every individual and every business, large or small, needs to play that role.

**Mr. Todd Smith:** I think those letters that went out were actually quite insulting, because I don't know if they were actually based on anything. A lot of people were very upset that they received this letter in the mail. But I think if people actually knew what their carbon footprint was, that would be good information for them to have.

If I can read a quote for you, Minister: "Armed with better information and a clear price signal for the carbon costs associated with their gas usage, a customer should be able to make more informed decisions regarding energy conservation and efficiency measures." Do you agree with that statement?

**The Chair (Ms. Cheri DiNovo):** Mr. Smith, you have about four minutes left.

**Mr. Todd Smith:** Thank you.

**Hon. Glenn Thibeault:** When it comes to cap-and-trade and when it comes to our climate change action plan, we're going to continue to lead the fight against climate change. That's why we released the climate change action plan.

Reducing people's use on fuels is something that will reduce GHGs. We as the Ministry of Energy are talking about lots of electrification. We're working with MTO and we're working with MOECC on the importance of electric vehicles and how we can actually see some of those reductions come into place.

In terms of the question talking about footprints, individuals' footprints from right across the province will be different in northern Ontario than they would be in southwestern Ontario—or in your great part of the province as well, MPP Smith. It's important for all of us to recognize that we can do more to help with addressing climate change and moving forward with a lot of that.

**Mr. Todd Smith:** The quote that I just recited comes from the IESO. They believe that individuals should be armed with information so that they can reduce their carbon footprint or at least have some kind of knowledge about how much they're using, how much carbon they're actually putting in the air. So I'm wondering why you're insisting on including the cap-and-trade in the delivery charge and not making it a separate line item on bills going forward.

**Hon. Glenn Thibeault:** That was a decision by the OEB, which is a quasi-judicial organization that's at an arm's reach from the government. They made the decision after due diligence: talking with stakeholders, holding consultations. The result of that decision was that they stated that it was the cost of doing business. They don't put on the bills the cost of having to put the steel in the ground or the pipes in the ground or the cost of labour. So, again, the quasi-judicial organization which is known as the Ontario Energy Board made that decision.

**Mr. Todd Smith:** In an August 4 interview with the Canadian Press, you said, "It's not up to us as the government to tell an arm's-length organization what they can and cannot do"—which is what you just said, basically. However, on June 27, you directed the OEB to report back to you with options for a separate rate for on-reserve customers. Why could you tell an arm's-length agency what to do in that case, but not with regard to the separate itemization of cap-and-trade costs?

1610

**Hon. Glenn Thibeault:** Bill 35 allows me to ask them to undertake a study, which is what they're doing when they're looking at the First Nations rate. But a quasi-judicial organization, when they make a decision about the business component—they're two different worlds. You're not comparing apples to apples there; you're comparing apples to oranges.

**Mr. Todd Smith:** It's a ministerial directive, and this government has issued 96 ministerial directives. I know

not all of them were you. Your predecessor was responsible for many of them, and Minister Duguid was responsible for many of them.

How do you decide when you are going to deliver a ministerial directive?

**Hon. Glenn Thibeault:** I have great consultations with many people and many stakeholders, making sure that we're moving forward on the important decisions and making sure that we help our First Nations, many of whom live in abject poverty, and looking at what we can do to help there is the directive that I asked the OEB to undertake. It's an undertaking with the OEB that's going to bring us some information and then we move forward from there.

**The Chair (Ms. Cheri DiNovo):** I'm afraid that your time is up. We now move to the third party: Mr. Tabuns.

**Mr. Peter Tabuns:** Minister, the IESO put out a report on connections between Ontario and Quebec. In that report, it noted that upgrades to the Hydro One transmission system costing about \$2 billion could permit Ontario to import up to 27% of its annual electricity needs from Quebec. Are you investigating the potential to invest in that upgrade? Are you talking to the government of Canada about their support for strengthening this interprovincial trade?

**Hon. Glenn Thibeault:** As I said to you earlier, I don't think anything is off the table when it comes to negotiations with Quebec. We're very excited in relation to—

**Mr. Peter Tabuns:** Are you actually talking to them about this project?

**Hon. Glenn Thibeault:** —the deal that we just had. As we continue to move forward, we'll work with the IESO and encourage them to continue to have conversations with Hydro-Québec.

**Mr. Peter Tabuns:** So I can take that as a no, that you're having general conversations, but you're not discussing this right now and you're not planning to do this right now. Is that correct?

**Hon. Glenn Thibeault:** From my understanding, the IESO is always in consultations with Hydro-Québec or with any contractor in terms of benefiting our overall system.

**Mr. Peter Tabuns:** That's very vague. So I assume you're not discussing this with them.

The Darlington nuclear refit: I gather that there are two advisers doing quarterly reports on the refit. According to the Toronto Star, January 2013, Energy Minister Bentley at the time said one was working directly for OPG and that the province had an overseer called Calm Consulting Inc. Are those reports available to us here in the Legislature?

**Hon. Glenn Thibeault:** I'm going to defer that to the deputy.

**Mr. Serge Imbrogno:** Calm Consulting was hired by the ministry to provide oversight during OPG's preparation phase of the Darlington refurbishment project. There were reports provided to the ministry. We also shared them with OPG so they could see what our oversight adviser was saying.

I believe the OEB has asked for those reports as part of OPG's rate application process. My understanding is that OPG will be providing those reports that they have in their possession to the OEB.

**Mr. Peter Tabuns:** So the Calm Consulting reports will be made available to the public, as well as the OPG reports; do I understand you correctly?

**Mr. Serge Imbrogno:** I can't speak for the OPG reports.

**Mr. Peter Tabuns:** Okay. So then you can talk to Calm Consulting.

**Mr. Serge Imbrogno:** Right. The Calm Consulting reports we would have provided to OPG will now be provided to the OEB as part of the review process.

**Mr. Peter Tabuns:** And will that be publicly available?

**Mr. Serge Imbrogno:** I believe it will be publicly available through the OEB, yes.

**Mr. Peter Tabuns:** As you may remember, in July 2014, the Toronto Star reported that there was already one significant overrun in this refurbishment project. It was a non-nuclear item that went over about \$300 million, as part of the campus plan projects. Have there been more overruns since the ones reported by the Toronto Star in 2014?

**Mr. Serge Imbrogno:** It's a \$12.8-billion project. The \$300 million would be part of that \$12.8 billion. The \$12.8 billion hasn't changed. OPG has just started with the refurbishment now, so they're—

**Mr. Peter Tabuns:** I'll go back to my question. Have there been more overruns since the report in 2014 on the \$300-million overrun?

**Mr. Serge Imbrogno:** What I'm trying to say—I wouldn't suggest it's an overrun of the whole project. The \$12.8 billion has been confirmed, and OPG is starting the refurbishment process.

**Mr. Peter Tabuns:** Deputy Minister, I—

**Hon. Glenn Thibeault:** Sorry, before you begin—I do apologize, but can I ask for that five-minute break now, and that we continue on afterwards?

**Mr. Peter Tabuns:** As long as it comes out of your time, I'm happy with that.

**Hon. Glenn Thibeault:** The time will continue—

**The Chair (Ms. Cheri DiNovo):** It doesn't change the time.

**Mr. Peter Tabuns:** Fine. I'm good with that.

**Hon. Glenn Thibeault:** Thanks.

**The Chair (Ms. Cheri DiNovo):** We'll take a five-minute break. Thank you, Minister.

*The committee recessed from 1616 to 1621.*

**The Chair (Ms. Cheri DiNovo):** Welcome back. We'll continue with the third party: Mr. Tabuns.

**Mr. Peter Tabuns:** Going back, Deputy Minister, I can tell that your communications concern is making sure that no one states that we've gone over the \$12.8 billion. But within the budgets that were previously allocated, since the last report of an overrun for a project that was part of this refurbishment, have there been other overruns?

**Mr. Serge Imbrogno:** I'm not aware of any other overruns. OPG has put out this document, ready to execute. It has the four pillars that they're reviewing on an ongoing basis: safety, quality, schedule and cost. Under "cost," they say that they've improved since the last report. They remain in the \$12.8-billion projected estimate. I guess that would be your answer. There is this report that's public, for your consideration as well.

**Mr. Peter Tabuns:** If you're going to be providing the Calm Consulting reports to the Ontario Energy Board, could you table them here with estimates, so that we can see what has been happening?

**Mr. Serge Imbrogno:** I think that would be appropriate. As soon as OPG provides them to the OEB, we can provide them to the committee at the same time.

**Mr. Peter Tabuns:** Sorry, just so I'm clear—I had thought that you were talking about the adviser that you've hired.

**Mr. Serge Imbrogno:** We provided reports from the ministry to OPG.

**Mr. Peter Tabuns:** Right.

**Mr. Serge Imbrogno:** OPG has provided those to the OEB. I'm saying that we could provide those reports to the committee, the reports that we provided to OPG.

**Mr. Peter Tabuns:** Could you please provide them to us? I gather they're quarterly?

**Mr. Serge Imbrogno:** There are quarterly reports, yes.

**Mr. Peter Tabuns:** Could we have filed with the committee the quarterly reports since the one that was reported by the Toronto Star in July 2014?

**Mr. Serge Imbrogno:** Yes, we can do that; we can undertake it.

**Mr. Peter Tabuns:** Excellent. Okay.

Have you done modelling on the alternatives to the Darlington and the Bruce life extensions?

**Mr. Serge Imbrogno:** The IESO would always be doing their analysis as part of the long-term energy plan. The next long-term energy plan will take that information and move forward with the scenarios.

**Mr. Peter Tabuns:** Has the Ministry of Energy done its own modelling?

**Mr. Serge Imbrogno:** We rely mainly on the IESO for the modelling expertise. We don't want to try and duplicate what they're doing.

**Mr. Peter Tabuns:** Are you telling me that you have not done your own modelling?

**Mr. Serge Imbrogno:** We would have worked with the IESO during the LTEP process on the modelling—

**Mr. Peter Tabuns:** I have a fairly narrow question. You in the Ministry of Energy: Do you have your own model? You can say yes or no, because you can tell me that the IESO does the modelling and you use theirs. If you have your own, have you done modelling on the Bruce and Darlington life extensions?

**Mr. Serge Imbrogno:** We have our own model, but it's not there to replicate or try and copy what the IESO is doing. IESO has the most comprehensive model. Any

of the large supply questions would have been posed through the IESO—

**Mr. Peter Tabuns:** So you do have your own modelling.

**Mr. Serge Imbrogno:** We do have our own model, but it's not there to model these big supply questions.

**Mr. Peter Tabuns:** So you haven't used your own modelling for the life extensions for Bruce and Darlington. Is that correct?

**Mr. Serge Imbrogno:** Not that I'm aware of. We would have asked the IESO or received that information through the IESO—

**Mr. Peter Tabuns:** I would hope that, as the deputy minister, you would be aware if someone was doing that kind of modelling. I'll take that as more definitive than "I would hope so."

Can we see those life-extension assessments, the alternatives to the Darlington and Bruce life extensions?

**Mr. Serge Imbrogno:** All the modelling would have been done through the IESO during the LTER process. We now have our long-term energy plan for the OPO, where there is more information provided. There are, I think, six modules with detail on them. I think that would be the appropriate place to look for various modelling.

**Mr. Peter Tabuns:** So everything that was in the modelling was incorporated in the Ontario Power Outlook. Is that correct?

**Mr. Serge Imbrogno:** There's the OPO document, plus there are technical schedules that are made public on the IESO website that go through all the various scenarios. Mr. Tabuns, I don't know if there was a particular model for refurbishment or not. I'm just saying that with the OPO update, all the information is provided in those OPO schedules.

**Mr. Peter Tabuns:** Are you saying that we would have made commitments to \$25 billion worth of investment without having modelled the alternatives to the life extension? Am I understanding you correctly?

**Mr. Serge Imbrogno:** I'm saying that the LTER, going forward, will be the venue for bringing all that information together and making any other decisions that the government needs to make.

**Mr. Peter Tabuns:** You've made decisions about Bruce already. I've got the contract. You've made decisions about the OPG refurbishment of Darlington. We've seen the announcements. I'm assuming you did modelling before you made those decisions. That is a reasonable assumption, is it not?

**Mr. Serge Imbrogno:** Yes, I agree with you that that was part of the—

**Mr. Peter Tabuns:** Excellent. So could we have those models tabled so we can see what was taken into consideration and what the impact would be of not doing those life extensions?

**Mr. Serge Imbrogno:** I'm saying that the latest modelling that the IESO would have done would have been in the OPO outlook and the technical—

**Mr. Peter Tabuns:** I would like the modelling that you used to make your decisions, because those are pretty weighty decisions.

**Mr. Serge Imbrogno:** That would be part of the OPO and that's the intent of the OPO, to make all our modelling assumptions available for people to review, scrutinize and discuss with us as part of our consultations.

**Mr. Peter Tabuns:** Since they've incorporated that data into their projections in their report, surely there's no problem then with giving us the data that came directly from the models. You have them. You've done them. They're of consequence to us in terms of determining the future of energy use and production in Ontario. Will you table the findings from those models for the Bruce and Darlington life extensions?

**Mr. Serge Imbrogno:** What I'm saying is, in the OPO, that was the intent: to provide all the information that's contained in the OPO with detailed schedules to inform our consultation that we are now engaged in.

**Mr. Peter Tabuns:** I think of the OPO as much more of an overview or a summary at a high level. I assume that when you did the modelling you were fairly detailed.

**Mr. Serge Imbrogno:** The OPO is at a fairly high level, but the modules that are attached to the OPO, which is on the IESO website, are very detailed and provide all the analysis behind each of those outlooks.

**Mr. Peter Tabuns:** So the modules will have all of the data from the modelling that was done for Bruce and Darlington life extensions—is that correct?—and the alternatives to those extensions. Did you look at the alternatives to doing the Darlington and Bruce life extensions?

**Mr. Serge Imbrogno:** The detailed modelling will show you what's underlying each of those demand outlooks and supply outlooks that are contained in the OPO.

**Mr. Peter Tabuns:** No. I think, then, I'm asking you a different question. Did you do modelling to see what the alternatives were to the Bruce and Darlington life extensions? Did you say, "Okay. Here is one proposition: If we go down this road we'll spend this amount of money. Here's another option, another scenario: We don't spend money on those two projects. This is what it would cost; this is what it would look like." Did you do those alternative models?

**Mr. Serge Imbrogno:** We would have done that modelling as part of the long-term energy plan in 2013, and provided the LTOP modules as well that contain that information. Going forward, we have that information embedded in the OPO and its LTOP modules as well.

**Mr. Peter Tabuns:** I would ask you to break out those two pieces of data, the Darlington and Bruce life extension alternatives, and provide them to us. You've already made the decision.

I'm assuming you liked what the models had to say. I'm assuming you thought the life extension was a better deal. Can you give us what the alternative would have looked like?

**Mr. Serge Imbrogno:** I don't want to keep repeating myself, but that's the intent of the OPO, to have these

discussions, to provide all that information in the modules. Everyone has that information. As part of the consultation, if there are other views then they can be entertained at the time, or discussed.

1630

**Mr. Peter Tabuns:** I actually think it would make sense for us to see how you scoped out the alternatives and what the costs were. I'm looking at the OPO, and I see it as a synthesis. I'd like the raw modelling to show me what you explored and what your assumptions were. Can we have that?

**Mr. Serge Imbrogno:** I'm just going to repeat myself again. The—

**Mr. Peter Tabuns:** So you're saying no, I can't have that.

**Mr. Serge Imbrogno:** I'm saying that the modules of the OPO have all the detailed analysis that sums up into the OPO outlook.

**Mr. Peter Tabuns:** I know you're talking about the summary of it. I take it as a no; that we can't have that. Can you provide us with a formal schedule of the potential off-ramps and when decisions would be made on the off-ramps for both the Bruce and the Darlington refurb?

**Mr. Serge Imbrogno:** For the Darlington refurbishment, unit 2 begins. It's scheduled to come back online in 2019. The other units are not scheduled to come online until that first unit is done. That is the off-ramp that the government has to decide whether to proceed with the next units.

**Mr. Peter Tabuns:** So what triggers an assessment on your part of an off-ramp? Let's say that it's 18 months to refurbish one of those reactors. You've started one now; it'll be 18 months from now when that should be done. The day that it's finished, do you sit down and make a decision as to whether or not to exercise the off-ramp for the next reactor; do you wait a month; is it automatically a rollover? What exactly happens and when?

**Mr. Serge Imbrogno:** The government has given OPG permission to proceed with the first unit.

**Mr. Peter Tabuns:** I understand that. I'm talking—you'll be exercising an off-ramp for the other three, if you exercise any off-ramp at all. That off-ramp is closed. No traffic will go through this ramp. So, at the end of the work on the first reactor, you will be considering whether or not to do the second; correct?

**Mr. Serge Imbrogno:** That's correct. We have due diligence. OPG has their due diligence, and we're monitoring. I think that the government will need to make that decision on a go-forward basis.

**The Chair (Ms. Cheri DiNovo):** Mr. Tabuns, you have about four minutes left.

**Mr. Peter Tabuns:** Thank you. So what's the time frame once the refurbishment of that first unit is done? What's the time frame after the second or the third—what's the time frame within which you'll be doing an assessment as to whether or not to exercise the off-ramp or proceed with refurbishment?

**Mr. Serge Imbrogno:** I wouldn't characterize the OPG Darlington refurb as an off-ramp. We've given

OPG permission to proceed with the first unit. They have to come back and get government permission to proceed with the next units. So the question is: At what point would the province provide OPG with the approval to proceed with the remaining units?

**Mr. Peter Tabuns:** And how will that decision be made? Who will be making the assessment? Who will be making the decision?

**Mr. Serge Imbrogno:** The final decision will be made by cabinet. It'll be based on information we would receive from OPG and from our own due diligence adviser. That would be an ongoing review of that information as it comes in.

It's hard for me to speculate on at what point a future government may make a decision on when to proceed.

**Mr. Peter Tabuns:** I'd just like to know what the structure of decision-making is for you. So, 18 months from now, all of that will be—maybe after the next election. But let's assume for the moment that it happens before the next election. So OPG will come back, report; the Ministry of Energy will do an assessment; I assume the IESO will do an assessment. Am I warm so far?

**Mr. Serge Imbrogno:** I don't think they would come back, because our advisers would continuously monitor, review and work with OPG and its advisers. So it won't be like: In two years, they come. It'll be a full engagement by the ministry and our advisers working with OPG as well.

**Mr. Peter Tabuns:** And then your ministry will make a recommendation to the cabinet to make a decision on the next; is that correct?

**Mr. Serge Imbrogno:** I guess that would be correct.

**Mr. Peter Tabuns:** Okay.

With the Bruce off-ramps, I'm sure you won't have the same monitoring capabilities you do with OPG. They're a separate, independent corporation. Tell me about the off-ramp process. I've had a chance to scan the contract. I appreciate you providing it. What's the time frame and the process?

**Mr. Serge Imbrogno:** You'll see that it's a fairly detailed contract—

**Mr. Peter Tabuns:** Yes, it is. I noticed that. I have other questions.

**Mr. Serge Imbrogno:** I don't want to give you the impression that I'm the expert on that contract, so I'll give you a perspective on the oversight.

It is a contract between Bruce Power and IESO. IESO will be the agent that will do the due diligence. There's already an IESO person on-site at Bruce, monitoring the work that's going on now in terms of looking at the contracting that Bruce is doing. IESO is the group that will do the due diligence. They have a dedicated person on-site right now.

Before the first unit is refurbished, there is an off-ramp related to cost. The contract provides terms as to at what threshold the IESO can exercise that cost-performance off-ramp.

**Mr. Peter Tabuns:** Actually, is there a term sheet that sets out the prices that will be the thresholds for you saying, "No, we're not going forward"?

**Mr. Serge Imbrogno:** It's a—

**The Chair (Ms. Cheri DiNovo):** I'm afraid we're going to have to stop there. We're at the time.

**Mr. Peter Tabuns:** I'll be back to that. Thank you.

**The Chair (Ms. Cheri DiNovo):** We'll now move to the government side: Mr. Dong.

**Mr. Han Dong:** Deputy, if I may, I would like to offer an opportunity to the ADM to finish her answer with regard to what other jurisdictions are doing around the world, following the path of clean energy that Ontario had walked. Unlike what my honourable colleague Mr. Yakabuski suggested, I generally don't know the answer to that, and I am very interested to find out. Yes, if she might give us the complete answer to that.

**Ms. Kaili Sermat-Harding:** Thank you. My name is Kaili Sermat-Harding, assistant deputy minister of the conservation and renewable energy division at the ministry.

Perhaps I'll just go back to where I left off and repeat a little bit of that, and then have a look at the renewables future, if you will.

It was solar PV where I had left off, noting that it is experiencing significant growth as well, with a record 50,000 megawatts added globally in 2015.

While major economies like China, Japan and the US do account for the majority of this new capacity, significant investments in solar PV are also happening in countries like Chile, where 400 megawatts of solar capacity was added in 2015.

Looking forward, the existing centralized electricity network is transforming to one that is increasingly distributed and bi-directional. Customers are increasingly interested in generating and managing their own power.

At the same time, the cost of renewable technologies is declining, and new, complementary smart grid and storage technologies are continuing to emerge.

The potential growth of storage, microgrids, electric vehicles and the increasing electrification of transit and transportation will bring growth opportunities for renewable distributed generation as well as challenges in energy planning and regulation.

Several North American jurisdictions from New York to California are assessing how best to prepare for a changing energy infrastructure and to integrate distributed generation in a manner that mitigates impacts on ratepayers and capitalizes on its potential benefits.

Ontario is investigating these topics as well. I mentioned the ministry's engagement with stakeholders to update the Net Metering program for small renewable energy projects as one example.

Continued deployment of small-scale renewables contributes to a clean and diverse electricity system and aligns with the province's goals of low-carbon buildings and transportation. Renewable energy will help the province to reduce greenhouse gas emissions in support of Ontario's climate change action plan.

As an early adopter and a leading North American jurisdiction in renewable energy procurement and de-

velopment, Ontario has made critical investments to maintain a clean, modern and reliable energy system.

As the global renewable energy market continues to grow and evolve, Ontario is well positioned to share its learnings and expertise with other jurisdictions and capitalize on the deployment of new and innovative renewable energy technologies.

1640

**Mr. Han Dong:** Thank you. Just one quick follow-up question: I know that Ontario was the first jurisdiction in North America to have gone completely coal-free in its generation. Are we still the only one, the only jurisdiction, in North America?

**Ms. Kaili Sermat-Harding:** I think, in North American, we are the only one that has eliminated coal from its supply mix.

**Mr. Han Dong:** Thank you.

**Mr. Joe Dickson:** Good afternoon, Minister.

**The Chair (Ms. Cheri DiNovo):** Mr. Dickson? Yes, go ahead.

**Mr. Joe Dickson:** Thank you, Madam Chair. This will take a little extra time because I lost my glasses this afternoon.

As I understand, there are currently a number of—

**Ms. Sophie Kiwala:** Do you want mine?

**Mr. Joe Dickson:** They fit perfectly, and I can read—First Nations communities that still rely on diesel to generate their power. There has been significant talk over time and over the past year of the possibility of connecting these First Nations communities to the electric grid. What steps is Ontario taking to help remote First Nations communities?

**Hon. Glenn Thibeault:** Thank you for the question, MPP Dickson. It is a very important one, and I do appreciate the opportunity to respond to it because I think our government has made the connection of First Nations communities a priority in the long-term energy plan and also with the designation of Watay Power to connect 16 of the 21 northwest First Nations in that part of our great province to the electricity grid.

I think there are many cases where we can show examples that connecting to the grid really will be an economic driver, will provide economic growth and will provide community and social growth, but all of that right now is really at its capacity because they're on, as you mentioned in your question, diesel generators. That really limits their building of new schools, new houses and new recreation centres because they simply cannot be connected to that new source of power. Unfortunately, it keeps that cycle of poverty going. Connecting them to the grid—and, if they can't be connected to the grid, using new technology like microFITs or other opportunities like that—will be key because we recognize that we have to create a cleaner electrical supply for those First Nations that are struggling to get connected to the grid.

I know some of the specifics—we can have the deputy speak to that.

**Mr. Serge Imbrogno:** Thank you, Minister. I'll talk a bit about it, but I'd like to call up ADM Michael Reid,

who has been working on this file for a number of years. I know, when I first came to the ministry many years ago—I think four years ago plus—this was one of the top priorities for the ministry. We've been working diligently to move this file forward. We recently passed some legislation that provides the authority to designate, and I think Michael will go into more detail on that.

We've been working with the federal government on moving forward with cost sharing. Since the federal government provides a lot of the communities with diesel, there will be a benefit to the federal government from ensuring that the remote First Nations are connected to the grid. We continue that, and we believe we're getting very close.

I'll let Michael take you through some of the work that we have done and some of the prospects going forward.

**Mr. Michael Reid:** Thanks. I'm Michael Reid, assistant deputy minister of the strategic network and agency policy division at the Ministry of Energy.

As both the minister and deputy have mentioned, the connection of remote communities has been a priority all the way back to the 2010 LTERP and reaffirmed in the 2013 LTERP. I'll talk a little bit about what has happened since the 2013 LTERP and the progress that has been made both in terms of the connection of the 21 remote communities as well as some of the efforts that are under way, as the minister mentioned, to do local and microgrid-type solutions in the four communities that the transmission connection is not economical for.

By way of a bit of background on Ontario's remote First Nations communities: There are 25 remote First Nations communities in northwestern Ontario that rely on diesel systems. In terms of the makeup of these communities, the combined on-reserve population of these communities is about 15,000 people. From an electricity system perspective, their total peak load is about 18 megawatts. In terms of the diesel consumption of these communities, it's about 30 million litres of diesel that's consumed annually to power these communities. Geographically, these communities are in an 800-kilometre arc up around northwestern Ontario, extending from about 90 kilometres north of Red Lake to some 160 kilometres east of Pickle Lake, and then the communities stretch from there all the way up to James Bay and Hudson's Bay. It's an immense territory that we're talking about for the remote connection project.

Just a little bit more background on the fuel costs as well: Given that these communities are remote, most of the diesel that they use for consumption either has to be transported in via winter roads or flown in, which makes the cost of fuel extremely high. Up to 70% of the diesel actually has to be flown in to these communities. Just from a cost perspective, what it means is that the cost of electricity in these remote communities is about 10 times the cost of providing electricity in other parts of the province that are connected to the transmission grid.

As significant as or maybe even more significant than the cost of diesel are some of the other impacts of relying on diesel power. There are health impacts in the

communities. There are also GHGs associated with the use of diesel to power communities. As the minister noted, as well, a lot of these communities are on what is called load restriction, where the diesel generators are basically maxed out. You do have instances where new housing has been provided in these communities, or a new business or a new school has been set up, and can't get hooked up. Communities have to make a choice to unhook older housing stock and hook up new stock. As the minister mentioned, the transmission connection will remove all of those load restrictions and allow communities to take advantage of business opportunities, as well as to restore housing stock and whatnot. There are all kinds of corollary benefits with the diesel connection.

The focus on remote communities really has two components. It has both the transmission connection component for 21 of the 25 communities, and then the local microgrid solutions for the other four. I'll talk a little bit about both. In terms of the grid connection projects, I've already mentioned the range of benefits that grid connection will provide. It will lower the cost impacts and it will lower the environmental impacts, as well as hopefully unlocking a lot of social goods within these communities.

The grid connection project, following the 2013 long-term energy plan, was also underpinned by a business case that the Independent Electricity System Operator undertook on our behalf. What the Independent Electricity System Operator did is that they looked at the costs of connecting communities up through the transmission grid to a whole range of alternative options, which included renewables and microgrids. In the development of the business case, it did ultimately come to the conclusion that with the 21 communities, it made clear business sense to hook them up to the transmission grid. In other words, over a 40-year lifespan, there were clear, demonstrable savings—in the order of \$1 billion—through the transmission connection project.

As the deputy mentioned, those savings accrue to both the provincial government and provincial ratepayers but also to the federal government, which does provide some of the costs of electricity service in remote communities, so that's part of the discussions we've been having with the federal government: both hopefully to have them issue a statement of clear support for the project, and then also to come up with a cost-sharing arrangement that allows the province and the federal government to appropriately share in the costs of building the transmission infrastructure.

**1650**

In terms of some of the specific policy supports that the province has put in place to help move the connection project forward since the 2013 long-term energy plan: The deputy minister mentioned a couple of pieces of legislation that were passed over the last couple of years which provided new policy supports that were used in the case of this particular project. There were three, in particular, that have been used.

The first was an order in council that designated Watay Power as the actual transmitter that would com-

plete this project. Watay Power is actually a great success story and a great proponent to be associated with, in that it is a consortium of First Nation communities who have partnered up with transmission developers as the proponents who will actually lead the construction, ownership and operation of the line.

Essentially, this order in council clearly states that Watay Power will be the proponents to bring forward their application to the Ontario Energy Board for the leave to construct. They are working through both the environmental assessments—all of the approval work that will need to be done on the project, including a filing with the Ontario Energy Board for the leave to construct.

The second instrument is another order in council that designates the remote connection project as a priority project. What that essentially does, when it comes to the leave to construct or the Ontario Energy Board approvals, is that it really says to the Ontario Energy Board, "You don't need to consider the need for the project. The government has clearly stated that it's a priority and that the project will be built."

The Ontario Energy Board still does the full range of other approvals that it would do for a project. That includes making sure that costs incurred by Watay Power in the development of the line are prudent and then figuring out how to allocate the costs. It really just accelerates the project a little bit by saying, "It's clear that we're going to move forward with this," but then the board does everything else that it would normally do in the case of a transmission project.

The last thing that was done to support the project is that there were some amendments made to the rural or remote rate protection program. Currently, remote communities benefit from this program, which essentially helps residential consumers in remote communities. It lowers the costs that they pay for electricity.

**The Chair (Ms. Cheri DiNovo):** You have about four minutes left.

**Mr. Michael Reid:** Okay.

That program was amended a little bit just to make sure, if there were capital costs associated with the transmission connection, that you wouldn't have a remote community that was ultimately handed a bill from the Ontario Energy Board or anyone else to pay for that. It's clear that the province has a mechanism to make sure that the province's fair share of the funding is actually passed on to remote communities.

I think that, with the combination of these three policy tools, from my perspective, we've seen a great deal of progress in this project with Watay Power—now up and running quite fast—to begin that next stage of development, which are all of the approvals that will be required for transmission connection.

I think that, in the interest of time, I do want to say a little something on the other four communities as well, because I think that we, as a ministry, always want to make it clear that for the remote connection project—although a lot of time and effort goes into the transmission connection, just because it is such a huge and

complicated undertaking—we're also working with the four other communities. The IESO said that, for a variety of reasons, it doesn't make economic sense to extend the grid to those communities. Those four communities are Whitesand, Gull Bay, Weenusk and Fort Severn. With those four other communities, there's a variety of efforts under way to develop local microgrid solutions that do rely on local renewable energy.

For example, with Whitesand, in December 2015, the Minister of Energy asked the IESO to begin negotiating a power purchase agreement with them for a biomass facility in that particular community. Those negotiations are ongoing between the community and the Independent Electricity System Operator.

With Fort Severn, for example, they've received some \$2.5 million from the Northern Ontario Heritage Fund Corp. They're looking at the construction of a solar/diesel microgrid as a partnership between the community, NCC Development LP—a First Nation company—and Canadian Solar.

With Gull Bay First Nation and Weenusk First Nation, there are also projects under way that have been sponsored by the Green Investment Fund, which is something that came out of the climate change action plan, which is looking at a bunch of different microgrid projects, solar PV storage, and also the kind of smart controls that go along with minimizing the use of these over maximizing the use of renewable power.

In all these instances, both the transmission and the microgrid solutions, these are also clearly community-driven projects, with Wataynikaneyap Power as well as the other proponents with the uneconomic-to-connect communities. There has been a lot of community engagement. The communities are actively involved in these projects. The communities want these projects, and that's part of the reason why the particular projects will proceed.

I think the minister also mentioned the pan-Canadian task force on diesel reduction. Not only are we talking with the federal government, but the province is also engaged with other provinces to see whether or not there are best practices, or somebody else has a particular model that has worked well, with the reduction of diesel in remote communities.

Ontario is a bit unique in that most other provinces are looking at local microgrid solutions. Most other provinces don't have the same opportunity we do to connect communities up to the transmission grid.

**The Chair (Ms. Cheri DiNovo):** And that is time. Thank you.

We now move to the official opposition: Mr. Smith.

**Mr. Todd Smith:** Back to the minister: Minister, you've been the Minister of Energy now for about four months, so I'm sure you've had a ton of conversation with staff, and political staff as well. It seems like in the four months that you've been the Minister of Energy, there has been a shift with the government when it comes to the severity of the electricity crisis facing Ontario.

When you first started, I think you were interviewed on television, and you said that there wasn't a crisis. At

what point over the summer did you realize that there actually is a crisis when it comes to electricity prices in Ontario?

**Hon. Glenn Thibeault:** When I did that Global interview, I think I was not even a month in. One of the things that I said at that time was that I recognized that for some families, they are having difficulty. Even before that time, our government was very clear that we recognized that we had a lot of heavy lifting to do. We had a lot of work to build the system up over the 10 years. We did that, and we recognize that there are costs associated with that.

There were families that were having a difficult time paying their hydro, paying their electricity bills, so that's why we brought in, in January of this year, the OESP program and we eliminated the debt retirement charge for residential customers.

Do you know what? The government has recognized that there have been families experiencing difficulty for quite some time. But even in my experience as executive director of the United Way, going back to 2008 and earlier—I started there in 2003—there were programs being offered even back then to help people who were having a hard time with energy bills at that time.

**Mr. Todd Smith:** How, then, does the government decide that they're going to remove the Ontario Clean Energy Benefit this past January, knowing that families were struggling? When you listened to the previous minister, at times he was very dismissive of the fact that there was an energy crisis, saying it was nothing more than a cup of Tim Horton's coffee, and these types of comments.

Your initial comments, when you first became the minister, were that there was no crisis here. Now, suddenly, here we are, back at the stage again where we're taking the 8% portion of the HST off people's bills.

It just seems like there has been a real rollercoaster ride when it comes to the government's understanding of the cost of electricity for not just residential consumers but small businesses, and those large manufacturers that you were speaking of as well.

**Hon. Glenn Thibeault:** Thanks for the question. Again, we can go back and point at a lot of things that the government was doing before my arrival as Minister of Energy, and even before my arrival here as an MPP.

When it comes to what I've done in the last four months, the direction that I got from the Premier was to continue on the work that the former Minister of Energy was doing and to continue to find ways to help families. That was my mandate when I got the call to be sworn in as minister on June 13, and that's where we started to work.

**1700**

The initial question that you asked is, yes, I've been talking with a lot of people and meeting with a lot of stakeholders and reading a lot of letters. I know that you're doing good work as an MPP to ensure that your constituents that have concerns—many opposition members and even many folks from my side submit those

letters. We act on those and let people know of the programs that are available. There are a lot of folks out there, as I'm sure you're aware, that don't know about some of the programs that are offered to them. I think it's important for us to get them on those programs so that they don't have a difficult time when it comes to electricity.

**Mr. Todd Smith:** So the price of electricity is a problem and you're taken steps, you feel, to deal with that.

The price of natural gas is going to be increasing, and I want to go back to what we were talking about in our last round of questioning. Do you not feel it's important for people to know what the increased usage is on their natural gas bill?

**Hon. Glenn Thibeault:** We've been very up front about the costs relating to natural gas when it comes to our cap-and-trade program and with the climate change action plan. We've said all along that we recognize that there are going to be some cost increases to the natural gas bill. But that's the great thing about the cap-and-trade program. If you look at the cap-and-trade program and really analyze and understand it, when an individual family reduces their GHG emissions at home, with natural gas, that portion will continue to reduce. So they can make savings, and then we're going to see savings and a reduction in GHGs so that's actually a hopeful thing for—

**Mr. Todd Smith:** Why not have the separate line item, then? Why not have the separate line item on the bill? The Independent Electricity System Operator, the system operator, says to separate it: Put the line item on there, telling customers how much they're using.

**Hon. Glenn Thibeault:** The OEB made that decision, but we're not putting the line item of the cost of labour on there; we're not putting the line item of the cost of putting the pipe on there; we're not putting the cost of the benefits that they have to pay. The quasi-judicial organization that is known as the OEB has made the decision that the cap-and-trade cost is a cost of doing business.

**Mr. Todd Smith:** So it's not a political decision?

**Hon. Glenn Thibeault:** It's not a political decision. The OEB is at arm's-length from the government, and we respect their decisions on that.

**Mr. Todd Smith:** In a story that was written in September by Adrian Morrow of the *Globe and Mail* about the Premier's chief of staff, a Liberal insider stated about Mr. Bevan's thinking at the time—Andrew Bevan, the chief of staff for the Premier; I know you know that, but for the sake of the committee—that "anything that's a consumer-visible tax is scary."

Prior to making the decision not to issue a ministerial directive that would have followed IESO's advice about making cap-and-trade visible on bills, did you have any conversations with Mr. Bevan or members of the Premier's staff about whether or not cap-and-trade was going to be on the bills as a separate line item?

**Hon. Glenn Thibeault:** Stepping into this portfolio, I had—I don't know how many briefings I've had. I think I

had four briefings on the first day. We've had many, many conversations, but, again, when it comes to the OEB, those decisions that they make are quasi-judicial, and we respect that. There are no directives that come from us that dictate how they make their decisions on the billing piece, for example, when it comes to natural gas.

**Mr. Todd Smith:** We know that the IESO, the system operator, said to include it as a line item. Are you aware that over 50 other submissions came into the OEB requesting that cap-and-trade be itemized separately on natural gas bills?

**Hon. Glenn Thibeault:** What the OEB has informed us is that they did a very extensive consultation on this process. They got written submissions; they had consultations; they talked with stakeholders, and then the OEB made their decision on this. Again, as I said earlier, I respect that they're the energy regulator for the province and that their decision, when it comes to natural gas, is not something that we get involved in. They made their decision on that, and we respect it.

**Mr. Todd Smith:** So there were 50 submissions that were made to the OEB regarding a separate line item on cap-and-trade, and aside from the OEB staff opinion, the only other one that recommended including cap-and-trade in the delivery charge—or burying the cost of cap-and-trade—was made by a stakeholder with strong ties to the Premier's policy staff. The other 49 all believe that there should be a separate line item on natural gas bills.

You're claiming there was no political interference in this. This was a decision that was made by the OEB. I just find that hard to believe. Why have public consultation—

**Hon. Glenn Thibeault:** You can put all the innuendo you want into it, but the OEB is the regulator that makes these decisions. They held public consultations. They put their decision out to the public. They consulted with stakeholders. They did it online. They got written submissions. Again, when they make their decision, it's based off of what's best for the ratepayers of the province, because that's their mandate. They follow that mandate to ensure that they always keep the ratepayers, and savings for ratepayers, in mind.

**Mr. Todd Smith:** So to sum up, we've got the system operator, the IESO, that recommended that cap-and-trade be itemized separately. We've got 50 submissions that were made with the same recommendation. You or your ministerial office and previous ministers have intervened over 90 times with ministerial directives in the past. We've got evidence that both the Premier's chief of staff and policy staff prefer keeping cap-and-trade costs hidden for consumers on these natural gas bills. Is it your contention, Minister, that you don't have the ability to direct the OEB, or have you been told by the Premier's office not to direct the OEB in this matter?

**Hon. Glenn Thibeault:** Again, as I answered that question previously, you're not comparing apples to apples. You're asking me about apples and oranges. As a minister, I send a directive to the OEB that asks them to look into a study for me. They are the experts when it

comes to ensuring that we can find savings for rate-payers.

When it comes to making a decision on billing, especially when it relates to natural gas, that is not the role for us, to give them a directive. They need to go out and do their consultations. You can't have it both ways. You can't have it one way where we're saying we can ask them to lower prices and then ask them to increase prices. That's not the role. We don't do that. What we do with the OEB is we ask them to do studies or partake in a certain subject matter—and that was related to Bill 135, which we brought forward.

**Mr. Todd Smith:** We're not asking them that. We're asking them to put the information out there so that the public can have some kind of understanding as to what kind of "bad actors," as the Premier says, the people of Ontario are.

**Hon. Glenn Thibeault:** You're getting into—so should we be putting the cost of steel onto all of the bills, the cost of labour onto all the bills?

**Mr. Todd Smith:** You said in the past that cap-and-trade costs are similar to other sunk costs, correct?

**Hon. Glenn Thibeault:** Me personally?

**Mr. Todd Smith:** Yes.

**Hon. Glenn Thibeault:** When would I have said that?

**Mr. Todd Smith:** I don't have the date in front of me—sometime in the last four months, I'm assuming.

**Hon. Glenn Thibeault:** For me, I've been working on electricity and finding ways to bend the cost curve for families, businesses and large industrial players in the province. A lot of the work when it comes to cap-and-trade is being done by the Ministry of the Environment and Climate Change.

I do understand why you're asking these questions, but at the same time, it's not the role. That is the role of the OEB. They have dictated and they have stated that their consultation process and the work they've done with stakeholders have outlined that it was the cost of doing business.

We as a government have been very clear all along to state that—we have always talked about the cost of cap-and-trade, and that there is going to be a cost on natural gas bills. I believe it's going to be about \$5 a month. But with the benefit of having cap-and-trade as our mechanism, families can continue to find ways to reduce those costs.

That additional \$5 can be reduced if they work with Union Gas or Enbridge. I know that on some of the programs that those organizations offer, the minister can speak to those in better detail than I—

**Mr. Todd Smith:** You're the minister.

**Hon. Glenn Thibeault:** Yes, but I like using some of the experts as well. I've got great people around me and I always use them.

1710

I think the important thing there is that there are great programs in place that will actually help families reduce those costs. If you're interested in hearing about those—

**Mr. Todd Smith:** That's okay. Let me move on, because we've only got a short amount of time left.

I recall that a previous energy minister said that the Green Energy Act was only going to cost us \$1 a month, and it has certainly cost us a lot more than that. So I don't know if we can put much faith in the fact that you're saying that natural gas bills are only going to go up by \$5. There's not a lot of credibility behind that claim.

Let's move on here. We've got a person who's going to pay HST regardless of how much electricity they use. Similar to your argument with including cap-and-trade pricing in the delivery cost of natural gas, shouldn't the HST rebate that people are going to get be included in the delivery charge of a bill? Can you square that circle for me? There's no line item for cap-and-trade. There probably won't be a line item for the HST rebate on bills, right? I know we're comparing different programs here, but—

**Hon. Glenn Thibeault:** We are comparing completely different programs. When it relates to natural gas, the OEB is the entity that administers that piece. I don't know the specifics in relation to the electricity piece, but I know that there will be a line on that that talks about the rebate that we're bringing forward.

**Mr. Todd Smith:** There is authority, because we've seen it in the past. I'm not saying "you," but the minister has established the authority to direct the OEB if he wanted to, in the past. You're saying that it's apples and oranges, but you've already done so. Given the evidence presented here and the urgency that the Premier has expressed in getting people to reduce their carbon usage, will you commit to itemizing the cap-and-trade costs separately on natural gas bills?

**Hon. Glenn Thibeault:** The OEB has come forward with that decision already, and they said it was a cost of doing business.

**Mr. Todd Smith:** So once again the government is going against the advice of the Independent Electricity System Operator and going against 49 others that have taken the time to submit their opinions to the OEB. The government is ignoring the system operator again, and the government is ignoring 49 different agencies or organizations that have taken the time to submit. Once again, is it fair to say that this government believes it knows better than the system operator?

**Hon. Glenn Thibeault:** No. The OEB, who actually looks at all of the details and looks at and works with the IESO, would have taken all of that into consideration. As I mentioned to you before, the OEB doesn't make this decision in isolation; the OEB makes this decision after talking and speaking with numerous stakeholders. They talked about—I believe it was having over 40 written submissions. They spoke with utilities. They spoke with consumers. They spoke with environmental stakeholders. As I stated, this non-political, quasi-judicial regulatory body has a mandate to protect consumers. That's why they made that decision. In relation to the IESO, they constantly work with them.

**Mr. Todd Smith:** Can I ask you about a local power initiative, since we only have about two and a half

minutes left? This is important to people in Hastings county in particular, but to all of eastern Ontario. The wardens' caucus there has endorsed the project. I did invite you—not so formally, but I did invite you to come and see and visit the proposed Marmora pumped storage power facility, which is the centre of my riding. It's a Northland Power project.

I know that the deputy minister would be very well aware of this project that Northland is proposing. I'm not sure how aware of it you are, but do you have any thoughts on pumped storage and where it might fit into the long-term energy plan for the province?

**Hon. Glenn Thibeault:** I have to say, I'm not specifically aware of your piece, but I spoke to the energy storage association of Ontario. I probably got their name wrong because I believe they just changed it. But I have to say that being the Minister of Energy and being involved in energy right now and seeing the great work that's happening out there especially when it comes to storage, that's that tipping point for us. The way that energy is done, the way we produce electricity, the way we use electricity—for those of us that are in this room and part of this whole process of committee and looking at electricity, most folks don't realize that when you produce an electron, you have to use that electron. We don't have an inventory that people can go to and say, "I'm going to pull off this much electricity," and they turn their lights on and they're happy that it's there.

There are great companies that are doing great work. I know you mentioned Northland and pumped storage. I had the opportunity of touring the Beck facility and seeing the great work that's happening with OPG and Beck. In relation to the specifics of yours, I don't know the details, but pumped storage and anything to do with storage is—we all know of Elon Musk and his batteries, but I just look to what we're doing here in Ontario, and there are many, many great companies that are doing some great work.

**Mr. Todd Smith:** There's an open invitation for you to join us at Marmora. It's quite a sight to behold. It's a massive, massive hole in the ground. You can actually fit six SkyDomes or Rogers Centres inside of this. It's an interesting project—

**Hon. Glenn Thibeault:** Do you not have an AHL franchise coming in your neighbourhood?

**Mr. Todd Smith:** We do, actually. We could talk about that too.

**Hon. Glenn Thibeault:** That's for a different committee. But maybe I can pair it in with an AHL game and come tour that sometime.

**Mr. Todd Smith:** There you go. It's an open invitation.

**The Chair (Ms. Cheri DiNovo):** And I'm afraid that is it, Mr. Smith.

We move now to the third party: Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you very much, Chair. When we left off, I was asking if it would be possible to get a term sheet setting out the prices that would be the no-go point for the refurbishment of Bruce nuclear. Is that available?

**Mr. Serge Imbrogno:** Mr. Tabuns, all that is in the contract that you have that's on—

**Mr. Peter Tabuns:** It actually has the numbers in there, saying the threshold at which we won't proceed?

**Mr. Serge Imbrogno:** It has how the threshold would be determined. It's a cost threshold. IESO would have done extensive due diligence with Bruce Power during the negotiation process. They would have agreed to the scope of the project. Once that scope has been locked in, which is in that contract, IESO would continue to do due diligence; that's why they have a person on-site. It's an open-book process. As you approach the first refurbishment date, they would compare, if there was an update on that cost estimate, to what was embedded in that contract. If it's above a certain percentage, then IESO has the ability to not proceed with that refurbishment.

**Mr. Peter Tabuns:** So what's the base number and what's the percentage?

**Mr. Serge Imbrogno:** That's all in the contract. I don't know, off the top of my head, what the—

**Mr. Peter Tabuns:** So the base number is in here and the percentage—so by reading this I can determine what the break-even point, the point at which we would say, "Don't proceed"?

**Mr. Serge Imbrogno:** That should be in that contract, yes.

**Mr. Peter Tabuns:** And with OPG, what's the break-even point? At what point will an overrun say, "We're not going further"?

**Mr. Serge Imbrogno:** Once again, on OPG, that'll be the determination of the government comparing the original \$12.8-billion estimate. And then as we approach the completion of that first refurbishment, the government will decide at that time. There's no magic number pre-determined in advance.

**Mr. Peter Tabuns:** So if it goes over 20%, that's fine?

**Mr. Serge Imbrogno:** I can't speculate whether—OPG may actually come in under 20%. That's also a possibility.

**Mr. Peter Tabuns:** Far more remote than the one that I put out, but anyway. So there is no fixed threshold, then?

**Mr. Serge Imbrogno:** It's a government decision point whether to proceed with the next unit after the first unit is complete.

**Mr. Peter Tabuns:** Okay.

What will power cost from the Darlington plant after completion of the refurbishment of the four units?

**Mr. Serge Imbrogno:** OPG is before the OEB right now with their rate application. It'll be determined by the OEB going forward.

**Mr. Peter Tabuns:** What was the basis of your government saying that we would proceed?

**Mr. Serge Imbrogno:** OPG would provide their base case, which I believe they provided to the OEB. The government would have reviewed that as part of OPG's business plan submission. But the government would have always made the determination that whatever the

OEB decides would be the basis of whatever costs would be recovered.

1720

**Mr. Peter Tabuns:** How did you make a business decision to proceed with the Darlington refurbishment when you didn't know what the cost would be for the power at the end?

**Mr. Serge Imbrogno:** It would have been based on OPG's belief of what they would provide to the OEB, what they believed would be a fair return, and that would have been the basis for it.

**Mr. Peter Tabuns:** So we don't have a fixed price, then. That's what you're saying to me.

**Mr. Serge Imbrogno:** In terms of the cost, how it's recovered, what the rate is will be determined through the OEB process.

**Mr. Peter Tabuns:** What's the price per megawatt hour for power now from Darlington? I've got this sheet.

**Mr. Serge Imbrogno:** There's an OPG rate—

**Mr. Peter Tabuns:** It says \$59.29 per megawatt hour.

**Mr. Serge Imbrogno:** That's provided through the OEB. That's part of the rate regulation of—

**Mr. Peter Tabuns:** So that's what we're talking about for now.

**Mr. Serge Imbrogno:** For now, yes.

**Mr. Peter Tabuns:** Okay. Now, any study I've seen with this refurbishment shows the cost of Darlington coming in slightly above the cost of combined-cycle gas turbine, at about eight cents a kilowatt hour. Is that correct?

**Mr. Serge Imbrogno:** I would suggest it's lower than the eight, in the seven—between seven and eight cents.

**Mr. Peter Tabuns:** Oh, really? And what would it be?

**Mr. Serge Imbrogno:** Well, I said it's lower than eight. I think it's in the seven-cent range, or 7.7 cents. It's close to what Bruce will be coming in at.

**Mr. Peter Tabuns:** Okay. In this rate-smoothing proposal, this document that I gave you earlier, which is the Nuclear Rate Smoothing Proposal from OPG, EB-2016-0152, it shows \$59.29 for 2016. By 2019, it's \$81.09—and I'm going with the smooth amounts. By 2021, it's \$99.91. We're getting above eight cents pretty quickly. That's an escalator of 11% a year, so over a decade, we're talking about 180%. We're talking an awful lot more than eight cents a kilowatt hour—or seven, if that's your target.

Why are we looking at rates that are far above the amount that you just cited to me for this project?

**Mr. Serge Imbrogno:** That number I provided would have been the average over that period. So it would start lower and then escalate higher, but the average would be in the 7.7-cent range, or between the seven- and eight-cent range.

**Mr. Peter Tabuns:** If you take \$59.29 and you look at 11% a year over a decade, that's about 180%. We're talking more like 15 cents a kilowatt hour. That's an awful lot more than seven cents.

**Mr. Serge Imbrogno:** It's the average we provided, and it's the average of those rates over that refurbishment period.

**Mr. Peter Tabuns:** You know, I don't think that math works. I'd be very interested to see how you averaged those out, because it's going to be a lot more than seven cents, or 7.7. We're going to be hitting more than seven cents within three years. You're not going to have much below seven cents to help balance out when you get above 10 cents. This project has been sold on the idea that with 7.7 cents a kilowatt hour—I'm using the number you used, quoting Bruce—but this is going to be way north of 10 cents for most of its lifespan.

**Mr. Serge Imbrogno:** If you look at the smooth rate—and the OEB could come in with a different smoothing, so I wouldn't say these are fixed, but—

**Mr. Peter Tabuns:** No, it's what they proposed.

**Mr. Serge Imbrogno:** —it says that as you have production coming in, you'll be paying \$65.81, according to this, through the OPG rate-smoothing proposal.

**Mr. Peter Tabuns:** For one year. Then the next year, it goes to \$73.05. So you're going over seven cents a kilowatt hour within the first three years. You've got another seven years to go. You're going to be at \$81.09 in the fourth year and then it goes up from there at 11% a year. We're talking a lot more than 7.7 cents a kilowatt hour.

**Mr. Serge Imbrogno:** The 11% is the OPG rate.

**Mr. Peter Tabuns:** Yes.

**Mr. Serge Imbrogno:** And then it's the actual impact on the consumers as well, so that has to be taken into account.

**Mr. Peter Tabuns:** No, I'm talking about—the ministry and OPG have been selling this refurbishment based on it being cheaper than combined-cycle gas turbine. You've been saying it's under eight cents a kilowatt hour. Based on what was brought forward to the Ontario Energy Board, you're talking about a lot more than eight cents a kilowatt hour over the balance of this decade.

**Mr. Serge Imbrogno:** I think when you do the math it will come out, as an average—I agree we have said that there would be an escalation in the rate. On average, it will be 7.7 cents.

**Mr. Peter Tabuns:** Well, I'd be very interested in your providing us with a table to show that.

**Mr. Serge Imbrogno:** As you know, the OPG rate application has hundreds and thousands of pages.

**Mr. Peter Tabuns:** And because you're deputy minister, I know you have power over these things. Could you provide us with the table showing how you get to 7.7 cents per kilowatt hour over a decade when you're escalating the price by 11% a year starting next year?

**Mr. Serge Imbrogno:** I will refer to where it is in the OPG rate submission.

**Mr. Peter Tabuns:** If you'll refer me to the page within that rate submission, that would be great.

**Mr. Serge Imbrogno:** It might not be on one page, but I will endeavour to get the OPG—

**Mr. Peter Tabuns:** If you will refer me to the section of the rate application that shows that over a decade, with

an 180% price increase over that decade, it averages 7.7 cents, I'll be really intrigued.

**Mr. Serge Imbrogno:** I'll provide you what OPG has provided to the OEB in terms of its projection of what the rate would be.

**Mr. Peter Tabuns:** Okay.

The first reactor has already gone out of service. You did that, Minister, just recently. When is it coming back into service?

**Hon. Glenn Thibeault:** I believe it's 2019.

**Mr. Serge Imbrogno:** That's correct.

**Mr. Peter Tabuns:** Okay. So why would the unsmoothed rate show this really huge increase between now and 2017? What changes? Because I thought we were recovering the cost when the reactor came back online. You just said to me—was it 2019, Minister, that the first reactor will come back online? So why this huge increase?

**Mr. Serge Imbrogno:** You'd be taking that production out, so you'd have less production, and you'd have to recover the same amount of cost for running the units. Your fixed costs don't reduce.

**Mr. Peter Tabuns:** Is that factored into the \$12.8 billion, the cost of lost production?

**Mr. Serge Imbrogno:** Well, it's part of the refurbishment project—when the units go off, when the units come on.

**Mr. Peter Tabuns:** What's the total cost value of the non-production periods?

**Mr. Serge Imbrogno:** Well, I—

**Mr. Peter Tabuns:** I mean, this is a very sharp increase that we're looking at. I understand the math that you're referring to. Sometimes I've heard in the nuclear industry that the cost is considered the overnight cost: What if you were to start one day and be finished the next? That would be the capital cost. But you're telling me that there's a very substantial expense that comes from units not producing power for 18 months at a time.

**Mr. Serge Imbrogno:** Well, when you take it out of production, obviously, it's not producing power—

**Mr. Peter Tabuns:** That's right—

**Mr. Serge Imbrogno:** —so that would have an impact on OPG and its revenues.

**Mr. Peter Tabuns:** Is that factored into the \$12.8-billion cost for this refurbishment?

**Mr. Serge Imbrogno:** Well, the \$12.8 billion is the cost of the Darlington refurbishment project.

**Mr. Peter Tabuns:** Of the construction costs.

**Mr. Serge Imbrogno:** The replacement power during that period would be part of what the IESO does. That's why we've been doing planning through the LTERP and the OPO process to determine what other generation is going to come on during that time. The Pickering life extension is part of that. The negotiations we've had with Quebec are part of that.

**Mr. Peter Tabuns:** So the capital cost we've seen doesn't reflect these costs, the loss-of-production costs.

**Mr. Serge Imbrogno:** Well, they would be incorporated into the IESO as part of the system planner and ensuring that there are resources available.

**Mr. Peter Tabuns:** The \$12.8 billion figure is, effectively, the overnight cost. If we could refurbish in a day, we're talking \$12.8 billion. But we're going to incur many other billions for replacing power while reactors are down—we, the ratepayers. Am I correct?

**Mr. Serge Imbrogno:** As the reactors come off—they would have been producing power, which they're not producing, so someone else has to produce that power. That's why we've extended the life of Pickering, to get the lowest-cost power that's available. Looking at imports—there are a lot of options that the IESO has for replacing that power, and that's the whole planning process that we went through with the LTERP.

**Mr. Peter Tabuns:** Has anyone quantified the cost to the system of replacing that power in that period? Because you're looking at a very sharp increase between 2016 and 2017. Frankly, you're looking at an escalation of 11% per year over a decade—cumulatively, a 180% increase in the cost of power. These are very big numbers, and not ones that we have been talking about in the past.

1730

**Mr. Serge Imbrogno:** This refers to OPG only, in terms of the overall system and the impact on ratepayers. That's why we're bringing in this other production, through extending the life of Pickering, more imports—

**Mr. Peter Tabuns:** This is a cost to OPG. They're losing this revenue. It's a cost to them.

**Mr. Serge Imbrogno:** That's correct.

**Mr. Peter Tabuns:** Is it factored into the \$12.8-billion cost of the refurbishment?

**Mr. Serge Imbrogno:** It would be reflected in OPG's reduced revenues, but it's not part of the cost of the \$12.8 billion.

**Mr. Peter Tabuns:** So I can fairly accurately say that it's going to cost Ontario a lot more than \$12.8 billion, because there's going to be a lot of money spent on replacement power?

**Mr. Serge Imbrogno:** I wouldn't put it in those terms, because that's how we do the planning of the system. When units come off, we plan for replacement power. That's what the IESO does.

**Mr. Peter Tabuns:** So has anyone done a calculation of the value of this lost production?

**Mr. Serge Imbrogno:** I'm having a hard time understanding—but that's how we do the planning process—

**Mr. Peter Tabuns:** I understand. I've heard you.

**Mr. Serge Imbrogno:** —even if you're refurbishing anything—

**Mr. Peter Tabuns:** This is how you do it. What's the value of it?

**Mr. Serge Imbrogno:** I would depend on the difference between what OPG was receiving and the incremental production. But that's part of what IESO has been doing: trying to minimize any costs going forward.

**Mr. Peter Tabuns:** What's the cumulative value of that? You're telling me that it has been done. I believe you that it has been done—

**Mr. Serge Imbrogno:** I'm not saying it has been done; I'm saying that IESO has been doing planning for all these refurbishments to ensure that we have enough power to maintain the system.

**Mr. Peter Tabuns:** Yes, so I'm very curious. What's the value of that? Because there's a value to filling in. If I'm not at work in a regular workplace and you have to fill in, you hire someone to fill in for me. I'm getting, hopefully, sick pay that day, so there's an extra expense to the corporation.

Here we have a reactor that's not producing power. You have to fill it in; you have to get it from somewhere. Someone has done the assessment of the value of that fill-in power. You told me that IESO would have done it in their planning. What's the number? What is the value of the power that has to be filled in in that period?

**The Chair (Ms. Cheri DiNovo):** Mr. Tabuns, you have about four minutes.

**Mr. Peter Tabuns:** Thank you.

**Mr. Serge Imbrogno:** The IESO would have said that as Pickering comes down, these are the other productions that are going to be there to replace it. So you'd have imports from Quebec. You'd have imports from other jurisdictions. You'd have Pickering life extension.

**Mr. Peter Tabuns:** And what's the value of that? Has anyone aggregated that?

**Mr. Serge Imbrogno:** I think it's all part of our long-term energy plan and the outlook.

**Mr. Peter Tabuns:** There are many things that are part of the long-term energy plan—

**Mr. Serge Imbrogno:** In your analogy, we're not double-counting. We're not paying you for sick leave and then paying a substitute. You won't be receiving your money, and we'll pay someone else to do the—

**Mr. Peter Tabuns:** You're looking at OPG taking a very substantial reduction in its revenue, which it's going to have to try and recover, which is why we have this rate smoothing. What's the value of that?

**Mr. Serge Imbrogno:** The value of the rate smoothing has a couple of advantages. It really is to—

**Mr. Peter Tabuns:** Sorry. What's the dollar value? What's the dollar cost of all of that?

**Mr. Serge Imbrogno:** I think OPG provides that information in their submission in terms of, if the OEB—

**Mr. Peter Tabuns:** So that accumulated deferred revenue isn't a cost on top of the \$12.8 billion. That's what you're saying to me.

**Mr. Serge Imbrogno:** I'm not saying anything to you. I'm saying—

**Mr. Peter Tabuns:** No, I think you are.

**Mr. Serge Imbrogno:** What the OEB will be reviewing is OPG's rate-smoothing proposal. It's up to the OEB to determine whether it's 11% or some other figure.

**Mr. Peter Tabuns:** Assuming that this goes forward, and this is five years out of 10, what do you expect the rate to be for power from Darlington at the end of this 10-year period? It's going to go up to \$99.91—sounds like a real bargain to me—in five years. What's it going to be in 10 years? Do you know?

**Mr. Serge Imbrogno:** That would be determined through the OEB process.

**Mr. Peter Tabuns:** So you don't have any projection. You don't know what it will cost.

**Mr. Serge Imbrogno:** The OPG would come in every five years and then make a submission to the OEB. It would be determined at that point. So I can't really speculate on what the OEB is going to do, either in this rate case or in future rate cases. OEB has been known to reduce OPG's ask, sometimes substantially. These are OPG's asks and projections. We'll know, once the OEB does its final review, what the rates would be.

**Mr. Peter Tabuns:** I will feel free to speculate, then. That's great.

Last item, because I know my time is short: I looked again at the climate change adaptation section in your estimates, and you still don't seem to have any assessment of risks to the system overall. The Climate Ready proposal that the government brought forward said that you needed to look at the vulnerabilities of the system overall and prepare to ensure that the power would stay on. What we've got is the IESO telling market participants to respect the reliability requirements. It's very different. Is there no central process where you're looking at the vulnerability of the system to climate change? Are we prepared for another major ice storm?

Actually, I'll just stick with that. We had an ice storm. I had to climb many storeys to get to people trapped at the top of apartment buildings. They wanted me to talk to them. Are you prepared for another ice storm? Are you doing the work for climate adaptation to make sure that the lights stay on in extreme weather? Based on what you've got here, you're not. Is there something else going on that we should be aware of?

**Mr. Serge Imbrogno:** The province is doing extensive work. The agencies are doing extensive work. In our summary in the estimates binder, we wouldn't have outlined everything that's being done in the sector. We can take you through more detail if that would help. We can talk to you about—

**Mr. Peter Tabuns:** Can you provide a report to this committee showing what your work plan is for assessing the vulnerability of our hydroelectric system in Ontario and what you're going to do to correct it?

**The Chair (Ms. Cheri DiNovo):** I think that's it, Mr. Tabuns.

We now move to the government side: Mr. Potts.

**Mr. Arthur Potts:** I'm delighted to have an opportunity to participate in these estimate hearings. Thank you, Minister. Thank you, Deputy Minister. I don't think this time I'm going to go over the history of my engagement in the sustainable energy program, but I do want to talk a little bit about some of the issues that Mr. Tabuns was raising around long-term energy planning.

The government has come forward with two long-term energy plans over the last number of years. One is Building Our Clean Energy Future, and then, in 2013, Achieving Balance. I know that we're now about to set off on another long-term energy planning process. Obviously

the issues that Mr. Tabuns was raising about the appropriate mix of generation and the appropriate transmission structures in the province—whether it's nuclear or wind or solar or gas, we'll be estimating demand and estimating supply, and we'll be doing it in the context of our cap-and-trade legislation and the kind of long-term direction we want to see on carbon and where carbon is in our mix.

It is kind of interesting: As we talk about conservation issues, particularly in the electrical sector, there's a bit of a disconnect or dichotomy in that we actually want to see more electrons being used in the province of Ontario and less fossil fuel electrons or carbon used. When we talk about the conservation of electricity—and you mentioned earlier about the massive opportunities that there are for conservation first in electricity—it actually, in a sense, works against the system because we want to be getting people moving from carbon into electricity. What we'd really like to see in our system going forward is a doubling or quadrupling of electricity use if it gets people off of carbon sources—fossil fuels, primarily.

I know that in Beaches—East York, for instance—and I'm sure Mr. Tabuns has much the same response—when our constituents come in and talk about their high energy bills, electricity bills, Toronto Hydro bills, they're talking about \$250 or \$300 bills over a two-month period. In some cases, they have jumped. They've jumped in part because we've increased the peak-time rate to 18 cents, trying to give people more of a stretch between peak time and low usage so that they can make change-of-use behaviours so we can reduce peak demand. I'll point out to them, "That's not a very big electricity bill." I have a lot of empathy for my friends in the rural areas of Ontario who are paying significantly more for their electrical use on a monthly basis. Most of my constituents are paying on a bimonthly basis.

I like to point out to them—I say, "Do you heat your house with natural gas?" For the most part we do, because we have access to gas in downtown Toronto. I point out to them that gas pricing has never been cheaper. Our gas bills have gone down dramatically. It's not like members of the opposition are coming forward and thanking our government for the low gas rates and the way that the OEB has worked in order to make sure that the private operators of the gas business, Enbridge and such—

*Interjection.*

**Mr. Arthur Potts:** That's right—that we're reflecting in our pricing. Those prices have come down. Our bills are lower.

**1740**

There's this dichotomy, again, in our long-term energy planning where we want to see people off of fossil fuels. Fossil fuels are cheap, relatively. Electricity, which is the good stuff, is more expensive.

One of the advantages we'll see coming forward, with a climate action plan and the cap-and-trade system, is that there will be upward mobility on the price of fossil fuels. As we get more people transitioning to electricity,

there will be greater use of kilowatt hours over the same infrastructure so that, overall, people will be more effective and more efficient in the use of electricity.

So the cost of electricity needs to come down to get people motivated to use more electricity, and the cost of fossil fuels has to go up. Those are part of the challenges that I think we'll face as we do our long-term energy planning.

I know the ministry is going to go out—I think it's every five years that we are obligated to do a long-term energy plan. Notwithstanding the full plan, I know that when the IESO came out with their supply-demand report in early September, we then had the engineers, we had the system experts, actually coming forward and saying, "You know what? We're probably at a stage now where we don't have to go forward with the second LRP process," because we've probably reached a critical mass that wasn't part of our long-term energy planning because we were on a trajectory and following along that trajectory of a planned and smooth process for ensuring energy security, and particularly carbon-free energy security, for the long-term future.

Now we're going to be in a five-year planning process—or a planning process that will dictate where we'll be in the next five years. This has been governed by legislation that we have brought forward. Maybe, Minister, you could talk a bit about how our legislation has made that long-term energy planning process more fluid, more predictable, and the kinds of inputs that we hope to get so that we can plan whether it's this much nuclear, this much natural gas, this much wind and solar.

We're talking about the First Nation projects and particularly the microgrids. I particularly took some interest in some of the communities that are going to be off-grid, the opportunities for microgrids and using sustainable energy to produce, whether it's biomass or battery or hydrogen storage.

Again, it could be another use of hydrogen. We could be putting up windmills all the way up the shores of Hudson Bay and James Bay and having that wind generating excess electricity that we could capture in some other transferable medium; maybe it is hydrogen or some other source. Those are great opportunities both to get carbon-free and off of diesel generation in the north. I'm very interested in those kinds of projects. I'm sure you'll be hearing from those communities as you go forward in the long-term energy planning.

Maybe, Minister, if you would, give us a little sense of how those changes to the Electricity Act will improve our energy planning process.

**Hon. Glenn Thibeault:** Thanks, Mr. Potts, for the question and thanks for your comments before the question, because it is important to outline the great work that we've done over the last decade when it comes to our electricity system.

We have brought forward and produced two long-term energy plans—one in 2010 and one in 2013—to guide energy planning and advance our energy policy initiatives. The 2013 LTP was the biggest and most open and

comprehensive consultation in the ministry's history, and an early leading example of what we saw as our principle of open government, to move forward on this.

We recognize that sound and prudent long-term energy planning is going to be essential for us to continue that clean, reliable and affordable energy future. We're achieving that goal, and we're achieving it with key objectives through the implementation of the 2013 long-term energy plan. We use that language, "LTEP," often. Since I'm new to the energy portfolio, I'm finding that everything comes in acronyms, so I'm trying to make sure that I don't talk in them.

The long-term energy plan is key. For us right now, being at the part of the process where we're at, launching the long-term energy plan two weeks ago, with the first session happening here in Toronto this week, is very key.

Some of the specifics, I guess, in relation to the past two long-term energy plans and where we're at now—Deputy, maybe I'll hand that to you.

**Mr. Serge Imbrogno:** Thank you, Minister. I'd like to call up Michael Reid, ADM. Michael has been leading our work in terms of when we put Bill 135 through, which really legislates the long-term energy plan process that we started in 2010 and 2013. Part of what we've incorporated into the legislation is an extensive consultation process. In fact, we started that a few days ago in Toronto. Our first session and our public open house was last night at the YMCA as well. We are starting the LTEP process, and I think Michael can take you through some of the important pieces that are incorporated in the legislation.

**Mr. Michael Reid:** Thank you, Deputy. Michael Reid, assistant deputy minister of the strategic, network and agency policy division at the ministry.

As both the minister and the deputy have mentioned, the upcoming long-term energy plan is governed by a new legislative framework that Bill 135 put into place. The bill received royal assent in June 2016 and came into effect on July 1, 2016. Pretty much once it came into effect, the long-term energy planning process was kicked off.

The process that's outlined in Bill 135 has really three distinct steps. The first step is the development of the plan itself. The second is the implementation planning: Once the plan is developed, how do we actually work through the details of making it real? The last phase is the programs and the procurements that come out of the development of the plan and the implementation planning. I'll walk quickly through each of those steps.

In terms of the development, we've already talked a little bit in the proceedings today about the Ontario planning outlook. That really is the first step in the development of the long-term energy plan: that with the legislation outlines, the Minister of Energy will ask the Independent Electricity System Operator to basically prepare a technical report that gives their best assessment of what demand looks like, what supply scenarios look like. This technical report is really to serve as a starting point for the development of the plan itself and the consultations that will be part of the planning process.

This is something that I think we learned from doing the 2010 and 2013 processes, in that the 2013 process, at the end of it, all of the various what we called modules—really, all the data that was associated in the plan—were published when the plan was released so that people could go and look at cost information, demand supply and see all of the various assumptions that went into the plan. We realized that publishing that at the end was helpful, but maybe didn't make that much sense. So the new framework says it right at the very beginning of the process; it's kicked off with this information. So you get the Ontario Planning Outlook itself, which is kind of the high-level report, but I think, as the deputy has already mentioned as well, there is a whole series of modules that you can download, see all the key assumptions and stress-test those assumptions, and then, in the consultations, come in and actually chat with us and challenge us about those assumptions. That technical work was kicked off almost immediately upon the legislation coming into force. The minister at the time asked the IESO to publish that by September 1, which they did. It's up on the website now.

In the OPO, we also did work closely with the Ministry of Environment and Climate Change to make sure that the various scenarios in the planning outlook reflected the climate change action plan and where the future looked like it could be going in terms of the province's climate change activities.

I'd also mention as well that alongside the Ontario planning outlook, there was also a fuel sector technical report that was published. Again, this is I think an innovation of the current long-term energy plan, where we're really trying to make it an integrated energy plan. So it's going to look at both electricity as well as other fuel sources. The IESO isn't a technical expert on the fuel sector, so it was the ministry that commissioned a third party to work through the equivalent on the fuel side of things. That fuel sector technical report is also available on the website for people to download and, again, look at all the assumptions and come to the consultations armed to challenge us with the assumptions and whatnot that are outlined in both of these plans.

1750

Following the publication of both of these reports, then we enter into the consultation phase. Again, as the deputy and minister have mentioned, we just kicked that phase off. On Monday we had our first stakeholder consultation session here in Toronto, and then we had a public open house yesterday evening. We have a separate indigenous stream, as well, that's going on, and that kicked off last Thursday, I believe, in Fort William First Nation.

The process that we're going to follow for the development of the next long-term energy plan, again, builds on what the ministry did in 2013. The minister mentioned that the 2013 process was the most extensive the ministry had ever undertaken. We did end up all across the province, in 12 different communities. The way that we modelled those sessions was that in the

daytime we would talk to key energy stakeholders and get their feedback and whatnot on the plan, and then we would have what we call public open houses, and senior ministry officials would be there. We advertised in communities that we were coming. It was a little bit like a science fair. We had a series of poster boards on some key energy topics, just to spark conversation, and then people could come in and talk to us about whatever was on their mind in terms of the energy sector.

At the time, we also held a separate indigenous stream. We had 10 sessions with various First Nation communities as well as Métis communities. The process was pretty successful. We used the Environmental Registry as a way to solicit on-the-record feedback from people, and we had some 1,200 submissions. We were sort of overwhelmed because we had to go through each and every one of them and do the analysis on them.

We also had other forums. We had online questionnaires and things, so that if people didn't want to go through the whole process of an Environmental Registry submission, they could still provide feedback through these questionnaires.

So all of this stuff is part of the process that we will be running this year. We have also tried to make sure that there are even other enhanced online tools that we will use, just to make sure that there is hopefully something for everybody in terms of participating in the development of the next long-term energy plan.

This year—as I've mentioned, we've already kicked it off—we're going to head to some 16 communities across the province to do the public open houses, and then in some 10 communities, including some of the remote communities on the indigenous side, as well, to solicit feedback from the indigenous communities.

The only other thing I'd mention on the indigenous communities is, what we've tried to do is make sure that as a ministry, we're developing long-term relationships. The way that the indigenous sessions work is that we work with the local community to host First Nations from the surrounding areas. Obviously, First Nations and Métis can participate in the general consultations, too. But we just figured that there are some unique challenges and some unique perspectives, so holding this parallel session where you can have those kinds of conversations—

**Mr. Arthur Potts:** Mr. Reid, I want to actually get another piece on the record that I forgot in my initial remarks. I had an opportunity to spend some time with engineers today, and they have a concern in the engineering community—Professional Engineers Ontario—that they're not as widely consulted in our plan. So maybe you could talk a little bit about the role within the ministry that professional engineers are playing in doing the modelling and giving us professional advice, and reassure that community that we are reaching out and want their input, as much as we can, into the long-term energy plan. Many of those are people who are making their livelihoods, who are well versed in the needs of the province and the needs of the different energy mixes.

Maybe you can speak a little bit to where you are with engineers in Ontario.

**Mr. Michael Reid:** You're right: The sector is full of engineers, including the ministry—I'm not, personally—and the IESO. Certainly, that professional background is part of our work. Again, we've reached out very widely to key stakeholders.

We're actually extremely interested to hear what the professional engineers would have to say by way of the formal consultation process, as well, so we'll either hit them as part of the road show or their EBR submissions. Through this next six to eight weeks, which is the consultation phase, the ministry's doors are open, and we do genuinely look forward to hearing all the views.

**Mr. Arthur Potts:** Well, I'll endeavour to make sure the association comes in to see you—

**Mr. Michael Reid:** Yes, we can give you the websites and personal contact information.

**Mr. Arthur Potts:** That would be fantastic. I appreciate it.

**Mr. Michael Reid:** Just quickly, after the consultation phase, we do move into the development of the plan itself, taking what we've actually heard from stakeholders and the general public, as well as the best advice from the IESO and others, and develop the plan. It's a cabinet plan, so it will go to cabinet to be approved by cabinet and released following that approval.

The implementation planning is something that's new to this process, as well, so it's worth mentioning. With the issuance of the plan, there's also the ability to issue directives to both the Ontario Energy Board as well as the Independent Electricity System Operator. The idea there with the IESO is that they're our procurement agents so if there are things that the plan outlines as being needed to procure, they will come up with a plan: "Here's what we think the best way forward." With the Ontario Energy Board, as the minister has already mentioned, we have used section 35 to ask them for their best advice on various regulatory matters. I think the directive would be the same sort of flavour. There are things that we would like their best advice on. After the plan, we can ask them for that advice in a single same directive.

Both the IESO and the OEB would develop those plans. They would come back for a look, and once they have been looked at and approved, then that is the actual program and procurement phase of the plan itself. We'd forward, with the IESO, again, doing what it had outlined in its plan, as well as the Ontario Energy Board moving forward with what they've outlined in their plan.

So from a ministry perspective we do think that the process that is put in place—again, we learned a lot from the 2010 and 2013 processes and have tried to build a framework that allows for as much openness and transparency.

**The Chair (Ms. Cheri DiNovo):** Thank you. I'm afraid your time is up. Right now, we're down to seven minutes and 40 seconds per caucus, or per person. Mr. Smith, official opposition, you're up.

**Mr. Todd Smith:** This would be the speed round, I guess. Thanks, Chair.

Mr. Potts just talked about the affordability of natural gas in Ontario, but unfortunately there's a lot of Ontario that has no access to natural gas and there are a lot of communities in my riding of Prince Edward–Hastings that are still waiting. This was a program that was announced previously to your becoming the minister, but natural gasification in rural Ontario seems to be taking quite some time to roll out. Can you update the committee on the progress currently being made on the expansion of natural gas to certain parts of rural Ontario?

**Hon. Glenn Thibeault:** Thanks for the question, Todd. It is important for us to get the natural gas rollout happening. I will be able to comment a little bit about it and give you some information, but the Ministry of Infrastructure now has that file and looks after that file. In your riding, your part of the province—and I've been up in parts of northern Ontario—where they're still heating their homes with oil and wood, making sure that we get natural gas into these communities is paramount for our government. I use that word “paramount” intentionally, because it is very important.

The Ministry of Infrastructure has this program. It has got a \$200-million loan portion and a \$30-million grant to start getting that program out. Again, just to emphasize the importance of it, when I was at AMO—and I believe many of your colleagues were there as well—many municipal councillors, mayors and municipalities in general have talked to us about the importance of getting this out. It was even asked in the “bear pit,” as they call it, when all of us ministers were up there. It was a question that was asked, and it is something that we recognize.

**Mr. Todd Smith:** Yes, sure, and people are starting to wonder, right? It's been a couple of years since this program was promised to be rolled out. There's some frustration out there. We can draw the comparisons to question period this morning when a member of the official opposition was asking the Minister of Northern Development and Mines about the Ring of Fire project that has been promised budget after budget after budget, but there hasn't been any progress on that. I almost want to draw the parallel with this. I hope it doesn't become the same thing. I hope this actually does start to expand into rural Ontario. As I say, there are a number in my community—Prince Edward county is one of them, right across on the North Shore, across the bridge from Belleville. That's a community that is hoping to get access to natural gas as a part of this program. Their feeling is that the program has stalled at the Ontario Energy Board. Is that the case? Is this program stuck at the Ontario Energy Board?

1800

**Hon. Glenn Thibeault:** As I said from the outset, this is something that has been taken over from the OEB, but maybe, Deputy, you can offer some insight to that.

**Mr. Serge Imbrogno:** With respect to the OEB, the OEB announced a generic hearing process back, I think, in January 2016. There were 46 intervenors at the OEB. This was to determine the rules going forward for expansion by Union and Enbridge into communities. I

think Union had approached the OEB with some applications. The OEB stepped back and just said, “Let's have a hearing to determine what the process will be going forward for anyone who applies.” That hearing has been ongoing. Our understanding is that the OEB will come out in October—shortly—with the results of the generic hearing.

Once that is in place, then Union and Enbridge can come forward and they'll know what the rules of the game are in terms of moving forward with their own expansion plans. That could be supplemented by the funds that are available through the Ministry of Infrastructure in terms of the grants and the loans as well.

**Mr. Todd Smith:** This is imperative for people in rural Ontario. You know what the price of electricity is doing in rural Ontario. If they had the ability to switch to natural gas, there are a lot of people that I believe would do that to heat their homes in the wintertime.

Is there anything further that the government can do to get this ball rolling, to move it forward quicker?

**Mr. Serge Imbrogno:** I'll just start.

**Hon. Glenn Thibeault:** Sure.

**Mr. Serge Imbrogno:** I think the minister did ask the OEB to move forward with it, and that's why we have the generic hearings. Union has said in those hearings that they have 29 projects that, once these generic hearings are over, they'll be able to move forward with to the OEB for approvals. Enbridge has 39 expansion projects. I think with the generic hearing completed, there will be more progress going forward. That's through the OEB process. That could be supplemented from the government in terms of its loan program and grant program as well.

**Mr. Todd Smith:** Is there any way to forecast for residents in the community of Rossmore when they might actually see pipes in the ground?

**Mr. Serge Imbrogno:** That's difficult for us to forecast, but I think we've put everything in place that allows that to happen, with both the generic hearing either complete or about to be complete, and the government moving forward with the loans and the grant program.

**Hon. Glenn Thibeault:** It's in the budget; take that for what it is. We are moving this forward as quickly as we can because, as you said—I've been to places like Sioux Lookout: a beautiful community, but when you drive through almost what seems as downtown, you're still seeing the oil fuel tanks on the outside of the homes.

I understand you advocating on behalf of your constituency—and good for you; that's important for you to continue to do—but it is something that we do see is important for right across the province.

**Mr. Todd Smith:** Right. I'm talking about my communities because I represent Prince Edward–Hastings, but obviously this is an issue for rural residents across the province.

There was a leaked climate change action plan, as you will recall, prior to you becoming the minister. So there are a lot of skeptics out there as to whether or not this government is actually committed to the expansion of

natural gas into rural Ontario. I guess I just want to know for sure from you, Minister, if this is a priority for rural Ontario moving forward.

**Hon. Glenn Thibeault:** It is. Hopefully that's as simple as an answer can be. By saying that we're committing \$200 million, that's a significant amount of money that I'm sure we can all agree, in the Natural Gas Access Loan program, and \$30 million through the Natural Gas Economic Development Grant, we are taking that seriously and we do want to see that happen.

**Mr. Todd Smith:** It's extremely important. Our rural communities that don't have access are obviously depending on it. When they hear about the leaked document and the fact that there are those in your government who believe that natural gas should be phased out in the future as far as a home heating fuel goes, you can understand why there are skeptics in rural Ontario, I'm sure.

**The Chair (Ms. Cheri DiNovo):** I'm afraid that is time, Mr. Smith.

We move to Mr. Tabuns.

**Mr. Peter Tabuns:** So, where I left off—I didn't realize I'd get more time; it's a wonderful thing. Can you provide for us a report on your assessment of the vulnerabilities of our electricity system to climate change and a list of the actions that you're going to be taking to address those vulnerabilities? "Yes" would be great.

**Mr. Serge Imbrogno:** I would suggest that we could walk you through what we do through the IESO and the bulk system planning that Hydro One does. We could talk to you about what the OEB does with the distribution companies, what international agreements are in place and what MOECC is doing as well.

**Mr. Peter Tabuns:** Are you saying to me that there is no current assessment of the vulnerabilities of the system that centralizes the information in one place?

**Mr. Serge Imbrogno:** I'm saying that there are a number of agencies. All of the agencies are looking at climate change as part of their business planning going forward. MOECC is updating its climate change action plan. That's happening now, and they'll be moving forward.

**Mr. Peter Tabuns:** Have you done an assessment of the vulnerability of the electricity system in Ontario to climate change? Have you done that?

**Mr. Serge Imbrogno:** Hydro One would have done an assessment within Hydro One. The IESO has international standards, so they're continuously monitoring and thinking about how the system needs to change. Distribution companies are doing the same. Toronto Hydro is doing it. So I think there is a lot of attention towards climate change adaptation. And within the government, the MOECC is pulling a plan together as well.

**Hon. Glenn Thibeault:** The IESO, through its market rules, defines the roles and obligations for all of the market participants who own or operate elements within their controlled grid. It's included in the obligations and those requirements to comply with those types of reliability standards. So the IESO, as the deputy was emphasizing, is key to ensure that we have our adaptation policy implemented in that.

**Mr. Peter Tabuns:** What sort of world are you planning for? Are you planning for a 1.5-centigrade degree increase? Two? Three? Four? What standard are you using?

**Mr. Serge Imbrogno:** I think MOECC would outline that in their climate change action plan and in their adaptation plan, which they're moving forward with.

**Mr. Peter Tabuns:** I've looked at the climate change action plan. I'm asking you. You're the ones responsible for planning energy in this province. Apparently you don't have a central assessment of our vulnerability; it's distributed throughout. I'm not even sure you do a central assessment of those plans. What standard are you applying? What sort of climate are you planning for?

**Mr. Serge Imbrogno:** We are working closely with MOECC. As I've said, we're updating the climate change adaptation plan. We work closely with the IESO. They have international obligations as well. In terms of a specific standard, as I've said, we're working with MOECC.

**Mr. Peter Tabuns:** So you don't, to date, have your own plan for the electricity system. Is that correct?

**Mr. Serge Imbrogno:** The IESO is our system planner. The IESO, as the minister said, requires standards of participants. It also, itself, is required to set standards based on its international obligations with the US. I think Hydro One also has its own standards and requirements to consider climate change going forward. So I think everyone is planning. MOECC is coordinating across the government. There are plans in place, and each agency is moving forward with those plans.

**Mr. Peter Tabuns:** You've offered me a briefing. I'll take you up on that offer. From what you've said to me, you don't have a comprehensive assessment of the risks and the steps that need to be taken. I would like the briefing so that you can tell me—

**Mr. Serge Imbrogno:** I wasn't sure if I offered you a briefing, but—

**Mr. Peter Tabuns:** Well, I thought you said you'd take me through what's there.

**Mr. Serge Imbrogno:** Right now, we can walk you through. I can have our ADMs come up who are working closely with MOECC to give you more detail, if that would be of assistance.

**Mr. Peter Tabuns:** I'm not sure I have enough time, but bring up your ADM and tell me what has been done.

**Hon. Glenn Thibeault:** While we're bringing up the ADM, I think I can outline some of the stuff that's here in one of my notes in relation to adaptation actions by the Ministry of Energy and the agencies, which I think you were asking in relation to.

Specifically talking about the IESO, they maintain a list of all registered market participants, including over 200 names of generators, consumers, LDCs, transmitters, traders and centralized forecasters. Each participant submits an annual emergency plan to the IESO, used to inform the Ontario electricity emergency plan, or OEEP—as I said, everything in energy is an acronym—

which describes the coordinated efforts required when facing a variety of challenges.

**1810**

The IESO implements a new operating policy. It did in 2012—actions in advance of extreme weather—to outline actions that may be taken to prepare the electricity system for extreme weather. The IESO has an 18-month outlook established and forecast for Ontario's electricity system that includes temperature fluctuations and severe storms.

Exercises have been carried out to predict how various extreme events across North America would affect Ontario's system, and the research allows the IESO to increase the grid's preparedness for potential cascading outages. The IESO has a variety of operational options to maintain reliability when faced with extreme weather situations. Outages can be cancelled or deferred, additional generation can be made available and several additional layers of reliability can be deployed surgically, as needed, to augment grid resiliency.

I'm wondering if there's anything else that we can add to this. Maybe—

**Mr. Peter Tabuns:** It still doesn't sound like what your climate-ready policy is supposed to be providing, but I'm happy to hear the staff on it.

**Mr. Michael Reid:** Well, I think you can continue on in terms of some of the work that the IESO has been doing. The Ontario Energy Board is also doing some work. But in addition to the points that the minister raised, the IESO also has a regional planning process which actually looks specifically at electrical regions, working with the local utilities in those regions, as well as Hydro One from a transmission perspective.

So, through this regional planning process as well, the IESO has been working with local utilities to work through some of the specific regional impacts that may happen with respect to climate change and adaptation.

The Ontario Energy Board is also adopting new measures with respect to extreme weather events and—

**The Chair (Ms. Cheri DiNovo):** And I'm afraid that is your time.

We now move to the government side: Ms. Vernile.

**Ms. Daiene Vernile:** Thank you very much, Chair. I was a little worried this afternoon that I was not going to get the opportunity to wade in here and make some comments about the great work that you were doing, Minister.

I want to ask you about smart grid technologies. You may know that in my community of Kitchener-Waterloo, not long ago our region was named as one of the most intelligent communities on the planet. Whether you're looking at our high-tech sector or are looking at our advanced manufacturing, there are many people there who are very committed to and concerned about green energy and green technology.

I've been inviting you to come to my community. I want you to come see this brand new, massive solar array that went on the roof of the Mennonite Central Committee. This is a non-profit group, but they see the value

in green energy. This panel is on raised racking. It's angled in a certain way to make it easy to clean, snow off and also to do maintenance. They are producing so much power—51,000 kilowatts of energy—that they're now selling it back to the city. I think this is a great example of clean energy technology that we should see reproduced elsewhere. I would love to have you come there and take a look at this.

My question to you is about job creation. We know that when it comes to producing technology like this, there is great opportunity to produce thousands and thousands of jobs. Talk to us, if you can, about these made-in-Ontario solutions and the jobs that we're seeing created.

**Hon. Glenn Thibeault:** Thank you for that question and thank you for the invite to your great riding. I think that after today's committee meeting, I need to get to a couple of communities to see some great work that's happening in the energy sector.

I talked about that initially to my honourable colleague MPP Smith, in relation to energy storage. It's very exciting to see the growth that's happening in that sector. It is that tipping point, that precipice, in which we're going to see great things happen in this sector. But it is creating good-paying jobs within our province. In the clean tech sector alone, the province has created a total of 42,000 jobs. I'm pretty adamant that we'll continue to see that grow.

In relation to the smart grid and smart grid technologies, I'm very proud to be making an announcement tomorrow with a couple of organizations that brought forward some great technologies: solar panels and storage and combining the renewable piece with the storage piece. That's something that I know we're going to see more and more of.

Everyone hears about Elon Musk and Tesla and the great work that they're doing. I tip my hat to them, that they're doing this great work out there. But, really, you can look to Ontario as a jurisdiction that is leading the way when it comes to green technologies.

It's great that we can hear about the Mennonite community centre, in your riding, putting solar panels on the roof. Or I can talk about Pioneer Manor in my riding, which put solar panels on their roof. This is a long-term-care home that has solar panels on the roof, to help them generate a little bit of revenue but, at the same time, contribute to that clean, reliable grid.

For us, it's exciting to be able to see the growth that's happening in this sector, it's exciting to see the jobs that are created and it's exciting to see the benefits that we're creating for the next generation.

I think we can go around the room and we all wear other hats besides the hats that we wear as politicians, either as MPP or as minister. The most important hat that I wear is "father," as a parent. You always worry about what kind of world we're going to leave for our kids. I have two daughters that I love very much—13 and nine years old. I know we could go around here and we'd all have family that we care about dearly. So when you eliminate coal, and you no longer have to send out email

notices, or notices to the news media, to tell people to worry about going outside and having to worry about breathing, that goes a long way.

I talked earlier about the reductions—I used Toronto's Vital Signs report, but every Vital Signs report has some great information about the reductions that we're making in terms of clean energy and smart grid technologies, the benefits that that has to really help families in their health care system, in their health care, in many aspects. Eliminating air pollution is so key for us as a government, and we have invested in that heavily. The Ministry of Energy has done a lot of heavy lifting in terms of reducing the GHGs that we would necessarily produce in the past to create electricity.

With the Quebec announcement—two terawatts of power that we're going to be bringing in to help us target specifically the natural gas peaking generation—that will actually go a long way for us in helping us reduce the amount of GHGs that we're producing, up to one megatonne. That's another 25% reduction that we're going to see within the electricity sector. For us, we're very excited with this opportunity to be able to partner with Quebec. We're going to continue to work with Quebec. This was a three-year negotiation with our neighbour to the east, and it was great that we were able to get that done.

Now we're going to continue to work with the industry sectors that are within Ontario—energy storage, the innovation piece. I know, Deputy, I can get you to speak a little bit about so many of the innovative companies that we have out there that are coming forward with great pieces of technology, from the pump storage that happens in MPP Smith's riding to some of the great storage that's happening here in Toronto and other places in northern Ontario.

With that, I'll hand it over to the deputy to speak for about how long?

**The Chair (Ms. Cheri DiNovo):** Less than a minute.

**Hon. Glenn Thibeault:** Good luck, Deputy.

**Ms. Daiene Vernile:** This is vitally important in my community, where we have upwards of almost 3,000 high-tech companies. Their innovating; they're producing. What is to stop us from being innovators on this planet and exporting what we know to other jurisdictions?

**Mr. Serge Imbrogno:** Absolutely. One of our LTEP consultations will be in Kitchener. We're meeting with the University of Waterloo in the morning. I think we'll probably attract a lot of the innovation crowd to that consultation.

The government in 2011 did put in place the Smart Grid Fund. It was a \$50-million fund that was targeted to investing in the smart grid and building the smart grid. To date, we've created about 900 jobs and \$170 million—

**The Chair (Ms. Cheri DiNovo):** I'm afraid that concludes the committee's consideration of the estimates of the Minister of Energy.

Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Shall vote 2901, ministry administration program, carry? All those in favour, say "aye." Opposed? I declare it carried.

Shall vote 2902, energy development and management, carry? Those in favour? Those opposed? I declare it carried.

Shall vote 2905, electricity price mitigation, carry? In favour? Opposed? I declare it carried.

Shall vote 2906, strategic asset management, carry? In favour?

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Ms. Cheri DiNovo):** Pardon me?  
*Interjection.*

**Mr. Peter Tabuns:** I was too late.

**The Chair (Ms. Cheri DiNovo):** Opposed? Carried.

Shall the 2016-17 estimates of the Ministry of Energy carry?

**Mr. Peter Tabuns:** Recorded vote.

**The Chair (Ms. Cheri DiNovo):** Okay, a recorded vote.

### Ayes

Dong, Kiwala, Potts, Vernile.

### Nays

Smith, Tabuns.

**The Chair (Ms. Cheri DiNovo):** Carried.

Shall I report the 2016-17 estimates of the Ministry of Energy to the House? All those in favour? Opposed? Carried.

This committee now stands adjourned until 9 a.m. on Tuesday, November 1, when we will resume consideration of the estimates of the Ministry of Agriculture, Food and Rural Affairs.

We are adjourned.

*The committee adjourned at 1822.*

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# Official Report of Debates (Hansard)

Tuesday 1 November 2016

# Journal des débats (Hansard)

Mardi 1<sup>er</sup> novembre 2016

Standing Committee on  
Estimates

Ministry of Agriculture,  
Food and Rural Affairs

Comité permanent des  
budgets des dépenses

Ministère de l'Agriculture,  
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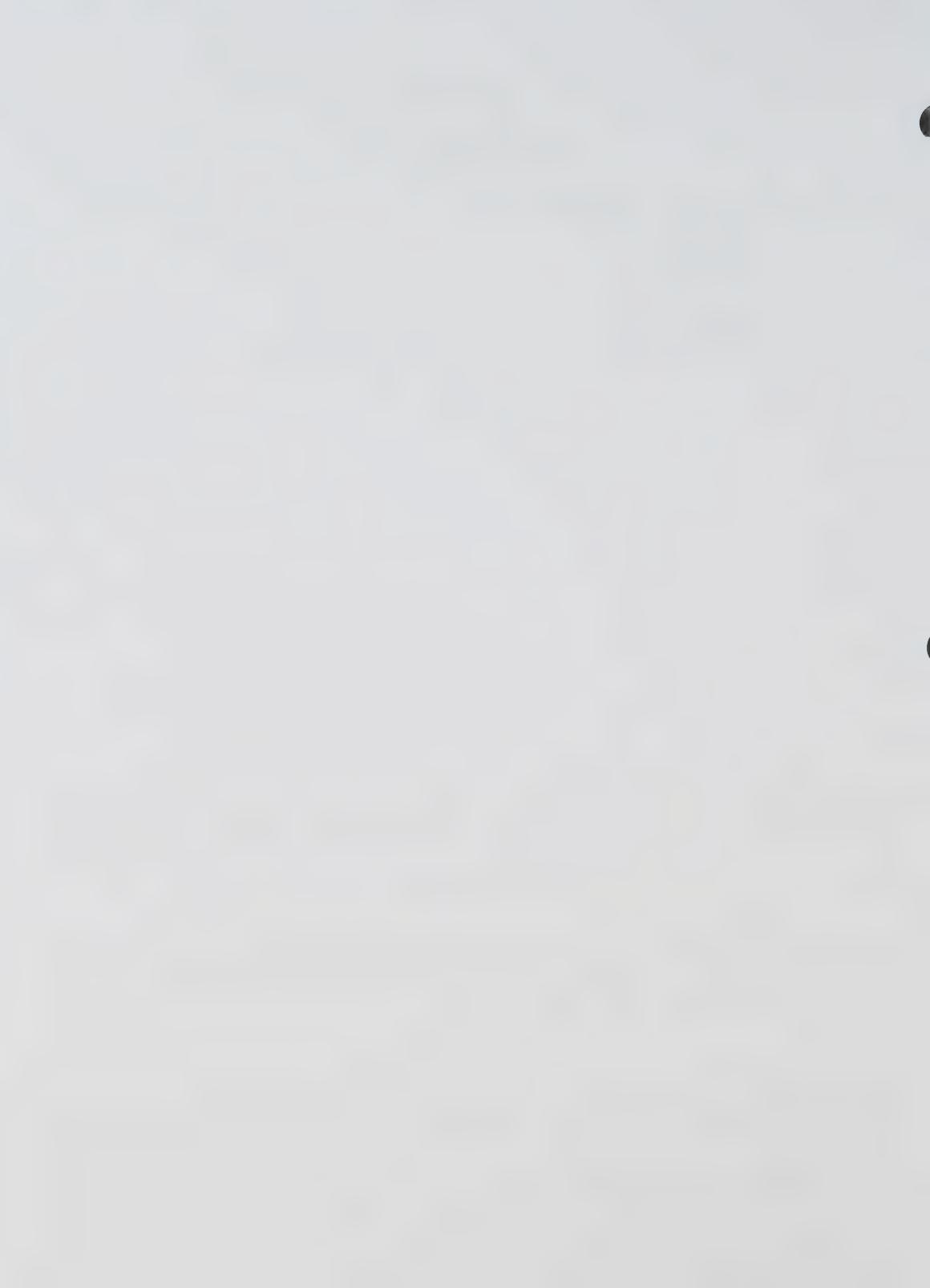


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## **CONTENTS**

Tuesday 1 November 2016

Ministry of Agriculture, Food and Rural Affairs.....	E-191
Hon. Jeff Leal	
Mr. David Hagarty	
Dr. Deb Stark	
Mr. Phil Malcolmson	
Ms. Debra Sikora	
Mr. Randy Jackiw	
Ms. Christine Primeau	



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 1 November 2016

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSESMardi 1<sup>er</sup> novembre 2016*The committee met at 0900 in committee room 1.*MINISTRY OF AGRICULTURE,  
FOOD AND RURAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Good morning. Pursuant to the order of the House dated October 24, 2016, we are meeting today to resume consideration of vote 101 of the estimates of the Ministry of Agriculture, Food and Rural Affairs. There is a total of five hours and 42 minutes remaining.

When the committee adjourned on October 25, the minister had 10 minutes remaining for his reply to the opening round of statements and questions. Are there any questions?

Minister, the floor is yours.

**Hon. Jeff Leal:** Good morning, Madam Chair, and members of the estimates committee. I'll just finish my closing remarks.

As I left off last week, I'd like to turn your attention back to the rural affairs side of my ministry. I'm particularly proud to have launched a series of rural Ontario summits, the first of which was held in 2014 in the beautiful town of Cobourg, Ontario. It allowed me to reach out to rural Ontarians in different fields and from different reaches of the province to get a sense of how our province could better serve them.

This summer, we hosted our second summit in beautiful Stratford, Ontario—and I have to say, I think these are one of my most favourite events that I get to work with. In Stratford, we had more than 235 participants from more than 50 communities—a mix of youth, business, municipal and non-profit leaders. We brought together urban and rural Ontario with, of course, members of our indigenous communities. They can meet both in person and through our online platform.

The conversation that day was centred on building the future and looking at ways for rural communities to tackle the issue of youth retention and attraction. This has been an ongoing conversation since the first Rural Ontario Summit, which I wanted to focus on this year.

As a father of an 18-year-old son, Braden, and a 16-year-old daughter, Shanae, who will be 17 tomorrow—I want to ensure you every opportune reason to stay in Peterborough as adults. I know there are parents in plenty of rural communities who are concerned that their children will have to move to bigger cities in order to

find jobs and develop skills they need to thrive. We need to work together so that we can create opportunities for our youth to help develop their skills and find meaningful work in their home communities. We want rural Ontario to be a collection of places where a future generation wants to live, work and, indeed, play.

Leading up to this year's summit, we had round tables in 11 communities, with more than 80 participants. We held these round tables in places north to south and east to west: Timmins to Owen Sound, Penetanguishene to Belleville. These round tables were so popular that my colleague and friend from Kingston and the Islands asked us to host a round table in her riding, to speak with residents from the rural parts of the great riding of Kingston and the Islands. I truly appreciated the opportunity to hear first-hand from youth about their concerns and how we can best serve their communities in the future.

Through these conversations, we built our Rural Ontario Summit around interactive sessions and engaging panels to discuss training opportunities and, of course, supporting entrepreneurship. We also took a look at how to engage youth in civic leadership and building up social infrastructure.

I have to pause here for a moment and reflect on the concept of social infrastructure, which is broadly defined as the services offered by the public sector to support the development and health of the community.

At several of our round tables, we heard from many of our youth and future leaders of the importance of investing in transportation and, indeed, broadband connectivity. On transportation, we made it quite clear that building up transportation and transit infrastructure in our province is our priority through our government's \$31.5-billion Moving Ontario Forward plan. As part of the Moving Ontario Forward plan, we're investing \$15 billion in communities outside the GTHA in order to build up local economies and improve the quality of life in smaller communities.

I also want to highlight the importance of broadband connectivity to rural Ontarians and what our government is doing to support it. Since 2007, our government has invested nearly \$280 million in rural and northern Ontario to expand the digital economy in underserviced communities, including \$90 million toward the SWIFT project to expand broadband in southwestern Ontario, which was indeed a priority of the southwestern Ontario wardens' caucus.

I would be remiss if I did not mention our support for EORN—the Eastern Ontario Regional Network—which led to the construction of a regional broadband network to deliver high-speed, high-capacity service to 95% of eastern Ontario.

Our government understands that access to affordable broadband connectivity is a key ingredient to innovation and economic growth. It allows families to stay in touch, connects businesses with the world and makes our rural communities investment-ready so they're able to do business. We will continue to work with our rural partners to develop a framework that supports the growth of the digital economy and supports broadband networks in rural and northern Ontario.

We now know, of course, that we have an app that you get on your iPhone to help you birth a calf. That's an interesting development in terms of technology in that area.

I'm extremely proud that, as a government, we've partnered with municipalities to put forward innovative projects that are helping everyday Ontarians improve their lives. I wanted to make sure that these investments were on the record because they demonstrate quite clearly our commitment to building up rural Ontario.

I also look forward to hosting the next Rural Ontario Summit and to continuing the discussions with rural Ontarians on how our government can help rural communities in our province prosper.

Now that I've laid out what we're doing at the ministry, as a government, to help the agri-food sector grow and create jobs—we're on the right path to meet the Premier's agri-food growth challenge, and I've demonstrated the progress made since the Premier's challenge was issued. More than 42,000 new jobs have been created, exports are up \$3.3 billion and \$2.2 billion has been added to the province's GDP. I've also shared the work we're doing, both domestically and internationally, to increase market access for our agri-food sector.

I think that it's a good time to acknowledge the recent success of the Tri-National Agricultural Accord meeting, which I mentioned that we were hosting at my first appearance at this committee. This year's accord took place last week in beautiful Niagara Falls and Niagara-on-the-Lake. It's the first time that Ontario has ever hosted the tri-national accord.

Of course, the three partners—Canada, the United States and Mexico—are part of our NAFTA trade agreement area. Ontario was not only the host of the meeting, but we also represented our great nation as head of Canada's delegation.

This year also marked the 25th anniversary of the tri-national accord, which underscores the positive relations of our three countries, which we've created and maintained for over a quarter of a century. The three-nation trade, from Canada's perspective, represents in excess of \$30 billion in exports to the United States and Mexico.

I must say that these opportunities come together, and it's so important to provide Ontario with a platform to advocate for, and demonstrate leadership on, market

access and trade, regulatory co-operation, and science and technology. Whether it's through the safe, high-quality products that we produce, the research that we oversee and support or the innovative technology that we've honed, Ontario is an agri-food powerhouse.

Ontario's 52,000 family farms produce over 200 commodities, and 65% of that farm production is purchased by our province's more than 3,000 food-and-beverage-processing businesses. Our agri-food sector employs over 790,000 people in our province and contributes \$36.4 billion to the gross domestic product of our provincial coffers.

We're going through our focus on trade and exports. Canada's combined agri-food exports to the United States and Mexico, as I said, were worth \$34.8 billion in 2015, and Ontario contributed 30% of that amount. We're talking about \$10.6 billion in agri-food exports last year to those two countries alone.

**The Chair (Ms. Cheri DiNovo):** Minister, you have just about two minutes left.

**Hon. Jeff Leal:** Thank you very much.

I'll quickly sum up by saying that we certainly highlighted our research and innovation and the shared focus of our government in terms of infrastructure, broadband and collaboration with municipalities and, of course, with our youth.

I want to thank you for giving me the time to provide some concluding remarks this morning, and I want to thank the critics from the opposition and the third party for their questions the other day.

I'm truly proud to represent this sector, which supports the jobs of one in nine Ontarians and contributes to local economies from Leamington to Hearst.

Thank you, and I look forward to questions this morning.

**The Chair (Ms. Cheri DiNovo):** We now move to the Progressive Conservative official opposition. Mr. MacLaren.

**Mr. Jack MacLaren:** Minister, I have not so much questions but four issues or problems I'd like to bring to your attention and ask for your understanding, and I have suggestions for a solution—

**Hon. Jeff Leal:** Thank you very much, Mr. MacLaren.

**Mr. Jack MacLaren:** —that I hope we might agree to. The first one is MPAC farmland assessment; there are two about Agricorp; and the OSPCA.

0910

On MPAC, as I'm sure you know, recently, property assessment notices have been sent out to property owners across Ontario. Farmland has been hit particularly hard, and the best understanding that I can come to locally in my riding and in talking to people across the province of Ontario who own farmland is that it's about a 100% increase in assessment on good farmland without buildings. This is a very high number. I would suggest to you it's an unreasonable number, it's an inappropriate number and it's a number that will cause, most likely, double the tax bill. I think this will create an undue economic stress for farmers.

I would suggest that farmland did not increase by 100% in four years—because the assessment covers a four-year time period. It has increased dramatically in the last 10 years or 15 years, absolutely. Farmland has been a red-hot commodity so I don't dispute the fact that it's high-value property.

It's not so much what we're doing here but how we're doing it. It's too much, too fast and it causes extreme hardship financially to the business of farming. We need to soften that blow. I say farmers are certainly willing to pay their share. We're not looking for a free ride and never have been. Something in the order of a cap of a 10% increase per year would be reasonable, would be bearable and just take a little bit longer to get where the number needs to go.

I would say if there was any problem at all in the past, MPAC should have started the process sooner, some years ago, some notices ago, but we're here where we are today with a 100% increase. It's too much, so what I'm suggesting is we could bear a 10% increase per year and get to the number that they want to get to. We have no problem with that. That's bearable, that's doable, that's reasonable and I think government—of course, you want to help agriculture to survive. I know we're actually doing quite well, but just because we're having good crops and reasonable prices doesn't mean it's time for government to take a big chunk of it.

There are a few other points about MPAC that I'd like to go through. The Canadian Justice Review Board has written a letter to the Attorney General with a bit of a problem, as they had found. There are 75 instances in which MPAC has asked their lawyers to call the head of the Assessment Review Board and ask that a decision of the Assessment Review Board be altered. Strictly speaking, this is legal but it's morally wrong. Interference in an appeal makes a mockery of the entire appeal process.

I'd like to read you one sentence from this letter that is written to the Attorney General, dated October 17, by Mr. F.C. DeCoste, who is chairman of the Canadian Justice Review Board: "approximately 75 instances where Conway Davis Gryski, lawyers, acting for the Municipal Property Assessment Corp., solicited the associate chairman, Paul Muldoon, and/or his administration review committee of the Ontario Assessment Review Board to alter its policies and decisions of its member adjudicators with which MPAC did not agree."

That does not sound good.

In 2006, the Ontario Ombudsman's report, which I have here, called Getting It Right, was critical of MPAC. The report slams MPAC for being biased against property owners. The Assessment Review Board is also biased and far too close to MPAC. The Ombudsman's report made 22 recommendations, including measures to enforce higher respect for taxpayers and making assessment methods public. Most important, however, was recommendation 13, which mandated that assessments be based on market forces; in other words, that the value of the property, when it was last sold, should be the most

important consideration in an assessment. MPAC should deviate from this only if there is a very important reason to do so.

Here is recommendation 13 from this report: "That, when a property assessment is challenged based on an actual sale price proximate to the valuation date, the Municipal Property Assessment Corp. should generally accept that sale price as the best evidence of the property assessment. The actual sale price should also be treated as an important factor in assessing the current value of the particular property in future years. MPAC should deviate from these general rules only if there are concrete, cogent reasons for believing that the sale has not been made under market conditions or does not otherwise reflect actual market value." That is something that needs to be paid attention to: The sale price of the farm dictates what the value is because the marketplace has acted.

There have been cases where MPAC has been obviously very wasteful and made mistakes in judgment. A few years ago, they needed a new computer system to do the business that they do and they spent \$200 million and hired a consultant to put in place a new computer system, top dollar, top price. There were problems with it functioning properly, a lot of mistakes, growing pains, and a lot of pain and misery along the way—when they could have purchased a system off the shelf that worked in other places. It would have been cheaper, better and quicker. So that's wasteful.

The Assessment Review Board has a reputation for being biased in favour of MPAC. This suggests some form of collusion and makes the Assessment Review Board appear to be a bit of a kangaroo court.

We should have a better system for assessment, and I would suggest this: MPAC should be dissolved. The responsibility for assessments must be returned to local municipalities. The assessment value would be the last sale price of the property, plus the consumer price index annually adjusted. This arrangement would eliminate the need for the entire bureaucracy currently associated with MPAC and therefore reduce costs. The new bureaucracy would basically be a record-of-sales office—smaller because there would be less work needed. It's a self-defining system. This would be a very simple and very inexpensive system and, more importantly, it would be fair.

This is the system that they use in California. I have a daughter who lives there and had a chance to visit her. I asked them how the poor people get along in California when Oprah Winfrey's house is worth \$10 million on a hill, and they want the young people who mow the grass and do the gardening to be able to live in Santa Barbara. This is the way they do it. The workers—in this case, they were Mexican workers—lived down at the foot of the hill in the old part of town where their houses are 700 square feet, modest little bungalows that would have been built, perhaps, by their fathers or grandfathers in the 1940s or 1950s. The value of that house at that time would have been, say, \$25,000 instead of \$2.5 million. They can live there in that house because the taxes on

that house are based on the sale price, plus the consumer price index.

What it does is it makes it fair to the people who are low income and want to live in the community, whereas in a community like that with assessed values, because it's such a desirable neighbourhood, they have gone up hugely. We have the same kind of problem here in Ontario, in some communities, where senior citizens, for instance—and we've all heard of them—who have been in their house for, say, 50 years, but the house has turned out to be in a very desirable neighbourhood and the market values have skyrocketed. The \$25,000 house is now worth half a million dollars or three quarters of a million dollars, and the little old lady basically hasn't got the income to pay the taxes on the home that she lives in and she's taxed out of her home.

I would suggest to you, that's not fair. That's not the kind of province we want to be. That's not what the government of Ontario wants to do to the people of Ontario. We need to be accommodating of the people who live here. The job of government is to help people—Minister, I think we agree on that. We do them a great disservice when we just have a cookie-cutter system where market value assessment is the rule: "Too bad, so sad. If you can't pay the taxes, go move to a poor area." That's not what we want to do here.

This system would be more accountable because it goes back to the municipality. It would be cheaper because you wouldn't need the bureaucracy. It would be fairer because it would make the little old ladies who live in homes—it would provide that they could stay there. That would be my recommendation on that.

I could either ask you to comment on that or go through my other four points, Chair. What would be the best way to do this?

**The Chair (Ms. Cheri DiNovo):** It's up to you.

**Mr. Jack MacLaren:** Would you care to comment on that while it's fresh in your mind?

**Hon. Jeff Leal:** Yes, I don't mind commenting at all.

**Mr. Jack MacLaren:** If you want to say yes, that would be most agreeable.

**Hon. Jeff Leal:** Well, Mr. MacLaren, I'd like to put this in a historical context. I had the great honour and privilege of being a city councillor in Peterborough from 1985 until the fall of 2003, when I was given the additional privilege of being elected to the Ontario Legislature.

**0920**

Having gone through the late 1990s, part of the Who Does What exercise—in fact, up until 1998-99, of course, assessment was an integral part of the Ministry of Finance. The government of the day decided to take that function away from the Ministry of Finance. The government of the day created the Municipal Property Assessment Corp., which was to be 80% funded by municipalities in the province of Ontario, and 20% of MPAC's budget would be generated from self-revenue. They provide consulting services around the world when it comes to assessment practices.

The government of the day, when they created MPAC, decided that we would go to market-value assessment in the province of Ontario, based on the principle of willing buyer and willing seller, which was put in place at that particular time.

I know that for us at the municipal level, that created great consternation. I can speak specifically about the city of Peterborough and the county of Peterborough. We had a team of Ministry of Finance employees who were very knowledgeable about the local area. As a city councillor, I could go to them on any given day and they could provide a value on a property because they knew the properties inside and out.

So this corporation was created by the government of the day, and we're still dealing with that today.

Of course, taxation issues are ultimately the responsibility of the Ministry of Finance, the Municipal Property Assessment Corp. and the municipality. Of course, at the end of the day, as we all know, municipalities determine what mill rates would be in any given area. However, my staff would be happy to work with any farm owners who have concerns about their assessment, to work through with them in terms of reconsideration or, ultimately, an appeal.

**Mr. Jack MacLaren:** Thank you, Minister. I think it's an important issue, and it has been a problem for a long time. There has been a lot of dissatisfaction. I appeal all the time. Too much time is wasted on doing that. It's a dysfunctional process.

I look forward to talking to you. I know it's the Minister of Finance, but you're an important man too, and I would like your help.

**Hon. Jeff Leal:** Yes. I've noted that. We've noted that.

**Mr. Jack MacLaren:** Thank you. On Agricorp—there are two questions here. The first one is about Sandy Hamilton, who is a cattle dealer. It's about one man and his problem. This happened about three years ago. Sandy is a neighbour and a constituent. He's a reputable man, an honest man, a good businessman. He's successful. He buys and sells a lot of cattle.

He was shipping cows to a slaughterhouse in Kitchener-Waterloo, I think it was. It went broke about three years ago. I forgot the name of it. It went broke before that, and a new man picked it up and tried to run it. It lasted about a year, and he went broke too. It was just business failure. There was no corruption or dishonesty here. Sandy was shipping cows to this man for six or eight months—many truckloads. He got paid and thought he had a good business relationship there. Then things went off the rails, and the man ran out of money.

Sandy had shipped him six loads of cows with a value of \$160,000. His bank finally told him that the cheque for the first of the six loads bounced, so he shipped no more cattle. He called up the owner of the slaughterhouse and said, "What's the problem? Is there going to be a way that I can get paid?" That would be a reasonable thing to do. Then he filed his claim.

The bank hadn't told him for over two weeks that the cheque had bounced. You have 30 days. He was covered

by the beef cattle financial protection plan, so this is about the beef cattle financial protection plan. To get to the point, they refused Sandy's claim and said, "We'll pay you nothing," because he broke the rules.

He had six loads of cattle that went out over a period of about three weeks. I think it was three weeks. He stopped shipping as soon as the first cheque bounced. He filed a claim with the beef cattle financial plan on day 32 for the first load. The other loads were less than 30 days, so they were within the 30-day limit. So he was two days too long on one of the six loads. Of course, then the financial protection plan said that was a problem, and they said, "Because you phoned the slaughterhouse, you effectively were extending credit to the slaughterhouse, and that breaks the rules. Therefore, you get no money."

He called me and I made some calls and talked to different people at OMAFRA and anybody who I could think of who would be of interest. Most of rural Ontario's farmland is covered by Conservative MPPs. I talked to many of my colleagues, and we did the best we could to help Sandy and put a little pressure on the beef cattle financial protection plan to reconsider. They did reconsider and they paid him half: \$75,000. You get 90%—so he got \$75,000. In the rules, it says the beef cattle financial protection plan board, which is half a dozen farmers approximately, has some direction. That's why we have boards. You give them discretion so that they can make good discussions when they consider all the facts.

For him to be two days late with one load out of six, discretion should have allowed that that's okay. For him to call up the slaughterhouse and say "Are you going to pay me?" is not unreasonable. It's not like he made any deals with the fellow; he didn't.

So the discretion was never exercised. They reviewed it and paid him half. I don't believe it's possible to be half-right and half-wrong. You're right or you're wrong. I guess what I'm saying is, it's been a couple of years, it's wrong, and I'd like to ask if there is a way we could review Sandy Hamilton's case, and do what's right and pay the man.

**Hon. Jeff Leal:** Mr. MacLaren, I'll ask David Hagarty, our director of the farm finance branch, to respond to you. David?

**Mr. David Hagarty:** David Hagarty, director of farm finance branch, Ontario Ministry of Agriculture, Food and Rural Affairs.

As you mentioned, the Livestock Financial Protection Board is responsible for adjudicating claims under the Livestock Financial Protection Program.

I'm not aware personally of the details related to the specific case you're referring to with Mr. Hamilton. I do know that in 2015-16, for example, they adjudicated 13 claims. Seven of those were successful, but some don't meet the criteria. It would appear that this might be a situation where it didn't fully meet the criteria and that was the decision that was made.

I don't know if he has filed an appeal, but certainly that would be an avenue. There is an appeal mechanism.

Someone can file an appeal, it gets reconsidered, and there's the potential opportunity there.

**Hon. Jeff Leal:** We'll certainly take that back—

**The Chair (Ms. Cheri DiNovo):** Mr. MacLaren, you have about two minutes.

**Mr. Jack MacLaren:** Two minutes? Can I speak to you about that afterwards?

**Hon. Jeff Leal:** About the appeal process? Certainly, yes.

**Mr. Jack MacLaren:** Okay. I'd like that. The next one I call "Nine years is too long." This was about in 2012, I think it was. Agricorp sent out letters to 4,000 or 5,000 farmers saying, "We gave you money as far back as 1999, and we'd like you to pay it back."

The government is exempt from the statute of limitations, which defines that the rest of us in the private sector have a two-year limit on things like that, so the government is exempt and can go back forever, technically or legally. But I would, again, say it's morally wrong. Why the government decided after nine years—that's why I call it "Nine years is too long"; for most people, it was a nine-year time period, for some it was longer and some a little less. I don't know, and it doesn't matter, why they came back after so long. I just say it's wrong.

We tried to fight it a couple of years ago. We hired a lawyer, we took Agricorp to court, and we lost. Perhaps we needed a better lawyer, but it's a little late for that.

I would like to ask if we could revisit that, because basically I think it's absolutely wrong to go back to somebody after 10 years and say, "You owe us a whole whack of money," because the money is gone. It's put into the business. It's there in the forms of equipment or buildings, or whatever the man did with it.

I got a call from a guy yesterday who owes \$330,000. That's his farm. If you take it, it'll be gone. You have the right to do that because of the way the legislation sits now. We should correct the legislation and remove that exemption for the government, because the government is no better than private people. But that's a topic for another day.

I would like to ask that OMAFRA and Agricorp cease and desist as far as pursuing the rest of the money from these people. The people that haven't paid you to date are people, for the most part, who can't. You will create hardship for them that is unreasonable, unnecessary and unjust. That is my request.

**Hon. Jeff Leal:** Mr. MacLaren, I'll endeavour to see what we can do about that—

**The Chair (Ms. Cheri DiNovo):** I'm afraid you're going to be out of time at this point.

We now move to the third party. Mr. Vanthof.

0930

**Mr. John Vanthof:** Good morning, Minister and staff. I'd like to continue where we left off last time. It was about your focus on increasing agriculture production in northern Ontario. I had the fortune of attending a meeting of the Cochrane Federation of Agriculture last Friday night. We had a long discussion about the things

that the people who farm in the Cochrane district now would like to see, and some of it you touched on in your remarks today.

It was interesting when you mentioned that there is an app now to learn how to birth a calf. That's fantastic. I hope that they would have some practical experience and not base their farming technique on an app, but one of the crucial things about farming in modern society is access to broadband Internet, and that's not just for birthing a calf. If you're going to bring farmers to the north, you're going to bring their families to the north, and kids can't learn now without broadband Internet.

I know it's not news to you, but there are huge swaths of northern Ontario that have no access—the same swaths where you're looking at increasing agricultural production. In Timiskaming, which is pretty well developed as far as agricultural production, there are still places where families don't want to live because there's no access to Internet. As you're looking at a northern agricultural development program, are you going to focus on bringing broadband Internet across the north? Because if that doesn't happen, families may come, but they likely won't stay. We need to know: Is that one of the pivotal aspects of any announced program?

**Hon. Jeff Leal:** No question, Mr. Vanthof. As I often say, in Canada, in the 19th century, the transcontinental railroad was the significant piece of infrastructure that linked sea to sea. In the 21st century, of course, it's broadband and the infrastructure for broadband.

Over the last number of years, we've made capital investments in broadband—north, east and west. You are correct in terms of, to fully develop agriculture in the north to its full degree of possibilities, this kind of broadband infrastructure is crucial. It's crucial.

**Mr. John Vanthof:** I'd like to reiterate: If you're going to increase beef production in the north, you can market cattle electronically. If you are going to live in a place where you can't access the Internet, where you have to go to the local library which might be 25 miles away, the most progressive people are going to look at that and are going to shake their heads and walk away. I think that's something that you really need to understand.

**Hon. Jeff Leal:** Duly noted. As I said, I used the example of the iPhone and the kind of technology that's available today. As you're familiar with, of course, as a former dairy person, you can have an iPad to monitor, with robotics, the amount of feed and the amount of milk—and you could be anywhere in the world. But it's all predicated on having that infrastructure in the ground to make that happen.

**Mr. John Vanthof:** Thank you. Another issue that came up at the Cochrane Federation of Agriculture meeting is—I don't know exactly how to broach this correctly—that throughout the province, but in that area specifically, because land is fairly inexpensive there at the moment, there has been talk about and some people are lobbying to have crown land released. The question is, has the government looked at how land speculation could actually impact areas? Specifically if—and I don't know if crown land is going to be released. That's your

purview, not mine. If such a program is developed, have you taken into account whether that land will actually go to farmers who are planning on building farms and building communities, or whether that land will go to speculators who will then lease it to farmers? Because that's a whole different model of development.

They are truly concerned, because we have seen this in other parts of the province. Everyone knows that, traditionally, if you look over the last 20 years, farmland has been an incredible investment. That's not hidden. So people who are thinking that way will look at farmland in areas that are now being opened up, due to better hybrids and perhaps climate change, and say, "This is the time to go after these huge swaths." With private land, you can't stop that. Under our current situation, I'm one of those. Not that I speculate, but I sold half my farm and I kept the land.

But crown land is a public trust. It's one thing to release or to sell crown land to people who are actually going to build those communities; it's another thing to sell crown land to people who are just going to sit on it, maybe rent it out, walk away and come back in 20 years. If you go right now to the Iroquois Falls area, there are people trying to develop—and that's in your target—and a lot of that land belongs to Americans. It's incredibly hard to develop it because you can't find the people.

So once again, have you looked—if there is a program to release crown land, are there going to be safeguards in place that that crown land will actually be released or sold to people who are actually going to build those communities?

**Hon. Jeff Leal:** Mr. Vanthof, your concerns and observations are duly noted on land speculation.

**Mr. John Vanthof:** Thank you. And just for the record, we're going to keep our eyes on that.

It's happening in Timiskaming right now in an area where—I can't put enough light on this: The biggest challenge you're going to have to develop agriculture in northern Ontario is to have communities to support the farms, be they big or small, have schools, and have stores.

An example? One of the most progressive farm communities in northern Ontario and one of the most progressive communities in Ontario is Earlton. You've all been there. Earlton is in a battle for its life right now to keep its grocery store. Those people can go to New Liskeard, that's fine, but a lot of the places—we both know the places where we're talking about developing—don't have that option. If they can't continue to build their communities and if they can't keep their schools open, families are not going to move there—or families might and they're not going to stay there long.

The price of land is one thing but usually—I'll use my own family as an example—a farm is a farm family, whether it's a large farm or a small farm, but it has to support the family. It has to support the family socially. Again, I can't put a big enough light on that.

**Hon. Jeff Leal:** I know how important general stores are. When I'm moseying about in the great riding of Peterborough—

**Mr. John Vanthof:** You come from Peterborough?

**Hon. Jeff Leal:** —Highway 7 East, I arrive at the last community in my riding, the municipality of Havelock Belmont Methuen. I always drop in to the great general store in Havelock, Ontario, and just have a great chit-chat to find out what's going on. So I know the value of your general stores.

**Mr. John Vanthof:** Another issue that's very important to people across rural Ontario—and it's an issue that your government has announced several times but we don't see much action on—is access to natural gas. Again, I'm going to preface this: I think we understand that we're not going to be able, in the short term, to service a farm or a community that is 500 miles off the main line.

I'll give you an example, again in my riding: Thornloe Cheese, the Tem Grain grain dryers and the Harley Industrial Park all service agriculture—I'm sure you've probably been there. They're almost within sight of the lines and yet they have no access. I know it's been promised, but it's time. I'm waiting for the answer. It's time we actually got together and made a push on this and, at least start in the places where we can actually do this feasibly, do it. In the case of Thornloe Cheese, it would make a huge difference. A cheese plant uses a lot of propane to heat water and heat the building. If they could switch that to natural gas, it would make a huge difference.

**Hon. Jeff Leal:** It's interesting, Mr. Vanthof, how the world has changed. When I arrived here in 2003, one of the first briefings I got was from representatives from Union and Enbridge, to say that there was going to be a natural gas shortage in North America and that we're going to have to liquefy natural gas to serve most of the customers in Canada.

**0940**

Then, of course, with new technologies that are being employed in North America, we now have a situation where there's an abundance of supply due to, as I said, changing technologies—and our debate this morning is not on whether these technologies are good or bad. Technology has changed with regard to the availability of natural gas.

I'll just have Mr. Kennedy comment—

**Dr. Deb Stark:** Actually, I'll speak.

**Hon. Jeff Leal:** Oh, I'm sorry. My deputy, Deb Stark, will comment on that.

**Mr. John Vanthof:** Thank you, Minister.

**Dr. Deb Stark:** Deb Stark, Deputy Minister of Agriculture, Food and Rural Affairs.

You are certainly correct that the government in their last budget announced a commitment to launch a \$30-million Natural Gas Economic Development Grant. I can tell you that we continue to work with the Ministries of Infrastructure and Economic Development and Growth to put forward recommendations to the government on the best way that that grant can go forward.

I can tell you that this is something of interest to Minister Leal and other ministers. They've very anxious.

They know the opportunities that access to natural gas could open up in rural Ontario. We continue to provide the support that we can to get this program going.

**Hon. Jeff Leal:** Mr. Vanthof, just a little more background: Of course, we're very pleased that just recently, GE announced that they're building a brand new greenfield, a state-of-the-art gas turbine engine plant in Welland, Ontario. It was a former operation they had in the States, Wisconsin. Due to more favourable business conditions, they wanted to move that operation. Of course, what they'll be building there is predicated with cogeneration on natural gas. GE is looking at opportunities in building this state-of-the-art technology in Welland, Ontario.

**Mr. John Vanthof:** Thank you. If I understood that correctly, the government is still looking at how to develop that program. Has anyone actually benefited from that announcement of the \$30 million, plus the ability to borrow money? Because what we're losing here is opportunity. Each year we wait, and each year a business like Thornloe Cheese or a grain dryer has to spend a lot more money, we're losing opportunity cost. That's one thing that the agriculture community is getting extremely, extremely frustrated with. We hear an announcement. "It's great. We hear what you want and we've announced." What we're afraid of is, come next election, it will be announced again.

The rural economy doesn't survive on announcements, Minister. We all know this is a good idea. We all know it needs to progress. When are we actually going to move on that? Because I think that's something we all agree on. That's not something you're going to get a big fight back with.

**Hon. Jeff Leal:** Duly noted, Mr. Vanthof. Certainly we'll be working with the Ministry of Infrastructure on this. Don McCabe, the president of OFA, has been very clear to us all on this.

**Mr. John Vanthof:** And one thing that Don's very good at explaining—and a lot of people don't understand this—is that when gas comes to farms, in the case of large livestock farms, they can actually put biogas into the system, and that's the cleanest gas there is.

**Hon. Jeff Leal:** Yes.

**Mr. John Vanthof:** It's not just a one-way street. We need to move on this as quickly as possible.

**Hon. Jeff Leal:** I certainly recognize the opportunities here.

**Mr. John Vanthof:** Thank you. Another issue is the Risk Management Program. Right off the top, it was developed under the Liberal government along with the farm groups. I've got a lot of respect for the then Minister of Agriculture, Carol Mitchell. It was a good program. It still is a good program, but it has a flaw which has been created by a subsequent government.

When the program was created, it was bankable and predictable because there were no caps. From our perspective, when the government put in the cap—I can understand why they did it: fiscal restraint. I can understand that. But at the time when they did it, for the first

time I think in history, almost all agricultural commodities were at a high at the same time, which is almost unheard of. For grains and the animal sector to be on a high at the same time was—so you could safely put a cap in, and you know what? It wasn't actually felt that much. But now we're into a session where a lot of the commodities are in lows or are going there, and that program is not going to be bankable and predictable with that cap.

I can't remember the acronym, but the pork producers and the beef producers and them, I'm sure, have lobbied you; they've lobbied me to raise that cap incrementally, because the purpose of this program is so you don't have income disasters and have to come out with ad hoc programs and have farmers circling Queen's Park. We all know that.

Again, has the government looked into raising the cap on the Risk Management Program; not just to avert an income problem in the production side of agriculture, but as you've said many times in the House, Minister, the agribusiness sector is one of the biggest job creators in this province, and you can't create jobs when your foundation is under severe stress. Farming is already stressful. You have the basis of a good program. We don't have to design a whole new program, but long term, can you look at raising that cap?

**Hon. Jeff Leal:** Well, Mr. Vanthof, I certainly appreciate the concerns that farmers have with the cap and the Risk Management Program. As you know, I meet frequently not only with province-wide organizations; I meet with my ag groups frequently in Peterborough, because 40% of my riding is rural. All the various aspects of agriculture are active in my riding and I continue to meet with them.

Through GF2 there is a suite of business-risk programs that we share with the government of Canada on a 60/40 basis: AgriStability, production insurance, AgriInvest.

I know that when I got the great privilege of becoming minister some two and a half years ago, I met particularly with Beef Farmers of Ontario and I noticed right off the mark that, when you're looking at participation rates in our Risk Management Program—of course, Ontario is only one of two provinces that has such a program; Quebec has it through the ASRA program that was brought in in the late 1970s, when the late René Lévesque was Premier of the province of Quebec.

When I looked at the very low participation rate, particularly from the beef sector, I started to ask the question why. And I found out that—

**The Chair (Ms. Cheri DiNovo):** Mr. Vanthof, you have two minutes left.

**Hon. Jeff Leal:** —one of the problems is that they had to be part of AgriStability to get into the Risk Management Program. In order to help them out, I delinked that situation in order to increase the participation rate. But I want to assure you that I'll continue to meet with farmers on the whole issue of the cap.

**Mr. John Vanthof:** And I would like to continue to assure you that I'm going to keep pushing to have that cap lifted.

**Hon. Jeff Leal:** And I would expect you to do so, sir. I'd expect you to do so.

**The Chair (Ms. Cheri DiNovo):** You still have some time.

**Mr. John Vanthof:** Just to put more focus on it again: If you want to keep growing jobs in agriculture, you've got to make the base strong. You've got a good program. It was bankable and predictable, and it's not now.

**Hon. Jeff Leal:** Well, 52,000 family farms growing over 200 commodities makes Ontario the most diverse agricultural province in Canada today.

**The Chair (Ms. Cheri DiNovo):** We then move to the government side, Ms. Kiwala?

**Ms. Sophie Kiwala:** Thank you very much for being here today. I do also want to thank you for the wonderful round table that you did in my community for youth. It was something that quite a number of people spoke to me about afterwards for quite some time. They were very, very pleased.

**Hon. Jeff Leal:** I always marvel at Kingston city hall. I always stop and take a look at that fine building. It's one of the most exquisite city halls throughout Canada.

**Ms. Sophie Kiwala:** It is, indeed, yes. Thank you.

I also wanted to acknowledge you just briefly for your work at the Eastern Ontario Wardens' Caucus and the meeting that we had at the Tett Centre, which was also enjoyed by everyone there, I think. They really appreciated the opportunity to have some of your time and express some of their concerns and what's going on in their various communities.

0950

Moreover, what I wanted to speak to you about today is the drought conditions that we saw in our section of Ontario, in eastern Ontario. I had the opportunity to tour some farms on Howe Island, and as you know, we also have quite a number of farms on Wolfe Island. The effects of the drought conditions in those areas were really quite astounding. We read about it in the paper, but to go and actually visit the farms was quite an experience—and to see the impact, not only on the land and on the animals, but also the psychological impact for those farmers. They were very concerned about using the hay for feed during the season rather than saving that feed for their winter supply. Some of them are even considering downsizing their herd, as a result. I know you're very well aware of this, and you've probably been inundated by comments and questions about this over the past number of months.

I just wanted to review a couple of points. The conditions that have affected both growers and producers in my riding, in Northumberland county, in Peterborough county, and in the whole area around your riding, as well—these regions were all very dramatically hit by the drought this past summer. Can you inform the committee about the variety of government supports that exist to assist farmers who have been affected by the adverse weather conditions? And can you also explain the steps that you have taken, as the Minister of Agriculture, Food and Rural Affairs, to ensure that you have an accurate

understanding of the challenges faced on the ground by the farmers this past summer? From what I've seen in my own community of Kingston and the Islands, I know that you certainly have been very present and very accessible to farmers throughout this province.

**Hon. Jeff Leal:** Thanks very much, Ms. Kiwala, for your question. You're absolutely correct. During this past summer in Ontario—if you really look at when this first started, it was last winter when we had a very small amount of snow cover. When we got into the early spring with not a lot of snow cover, there wasn't a real inventory of moisture in the ground in vast parts of Ontario. And then we had this extraordinarily dry summer. You mentioned Peterborough county. It was the driest in Peterborough county in 100 years. If you look at a swath of east-central Ontario, starting with the city of Kawartha Lakes, then Peterborough county, Northumberland county, Prince Edward county and into the Kingston area, it was incredibly dry.

For a Minister of Agriculture, Food and Rural Affairs, the two loneliest positions that you find yourself in are being in a farmer's field when you see a cow that has been destroyed by a wolf or a coyote; and when you're standing alone, as I was with Mr. Rinaldi, at Lloyd Crowe's operation in Prince Edward county, to see the soil as dry as the top of this table. When you take a pod off a soybean plant and you open it up and there's hardly anything inside because of the drought conditions, it brings you to tears. It's just that devastating.

We've had our Agricorp staff out in the field. We've had our staff from OMAFRA out in the field. We have things such as our business risk management program and AgriInsurance, which is a key tool to address production loss associated with events like dry weather. Where a producer has experienced damage to their insured crop or forage, a producer can call Agricorp—we set up a 1-800 number—to arrange for an insurance adjuster to inspect the damage. As we all do in our ridings, we encourage our farm communities to make sure that they enrol in the appropriate programs to make sure that when a calamity hits, they have the opportunity to draw upon these programs to help sustain their agricultural operations.

The deputy would like to make a comment.

**Dr. Deb Stark:** If I could just add, as the Minister has said, it's been a difficult year, certainly, for some farmers in some areas of the province. One of the challenges has been that it's been a very variable year, so some areas have done fairly well. Some crops have done very well. We've seen on the fruit and vegetable side that the quality was particularly high this year, although the yield was lower. We're still bringing in corn and soybeans, so it's still a little unclear to see how that's going to be. As you say, in the summer some of the livestock farmers were very worried about whether or not they would have enough winter feed. We then ended up having some moisture come in in the fall and a relatively open fall, and so they've been able to get more crops in.

The one thing I would reiterate is that there is a full suite of programs through the federal-provincial-

territorial business risk management programs that allow them to receive some financial support, including if they have bought into the insurance programs. We know that we have a high participation rate. It is voluntary, but there's a very high participation rate. Maybe in a minute I'll ask Phil to provide more details on that.

We also have an agriculture contact centre. This is something that the ministry has had in place for years now. The minister referred to one that was set up for Agricorp specifically about this incident, but at any time any individual farmer or food processor who has questions about the programming for the Ministry of Agriculture, Food and Rural Affairs or the government of Ontario in general could call that number and get some direction on where they can go.

One of the things we realize is that it's a very individualized situation. Someone can be doing not that badly if they just had the rain on one side of the road. And then on the other side, as both of you saw, it's quite disturbing and quite difficult for those people. Depending on the capacity of their farm, it becomes how they can manage that.

Maybe I'll just ask Phil to make a couple of comments about the formal funding programs that we have.

**Mr. Phil Malcolmson:** Sure. I'm Phil Malcolmson, assistant deputy minister, policy division, OMAFRA.

Just picking up on the deputy's point, it's a key one. Variability is a key issue. It has been extremely dry this summer. The variability between commodities is significant. The variability between regions is significant. And the variabilities within counties and regions between when you're in one part versus another part—we've had farmers who tell us that some of their fields have been getting adequate moisture or have gotten late moisture, but other fields a couple of miles away have gotten nothing.

The key is, we have a suite of programs. A key program on the production side is our production insurance program administered by Agricorp. We have 14,000 farmers in Ontario registered in production insurance, representing over a hundred different commodities. The participation rates by plan do vary, admittedly, but that is a key tool available to farmers.

Under the minister's direction, we have followed up with Agricorp. They do an excellent job with respect to customer service. They have adjusters out in the field. In those areas that have been particularly hard hit, they have reached out proactively to those producers to make sure they are aware of their full benefits under production insurance.

Also, they administer the federal-provincial Agri-Stability program in Ontario. That program relates to your income situation over an entire tax year. Often producers think that they need to wait until the tax year is over to file. There is a provision to put in an interim application, should you think that you're going to have a year where you have negative margins. Based on that information, Agricorp will work with you proactively to put in an interim application, and if you qualify for a benefit, they would make sure you got that quite soon.

The other program I would refer to is the AgriInvest program. That's a sales-based program where both the producer and the government put money into an account based on the net sales of the producer. The reason I raise that is, in Ontario, there is over \$300 million on accounts of farmers, in their AgriInvest accounts. The key to that is that it's actually at the discretion of the farmer and their individualized situation as to when to make a withdrawal from that account. With respect to a tool that is very nimble and timely, that particular program lets farmers withdraw money. Depending how much they have on balance, it's a very short process. The withdrawal process only takes a couple of weeks.

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**The Chair (Ms. Cheri DiNovo):** Mr. Rinaldi.

**Mr. Lou Rinaldi:** Thanks for being here, Minister, and thanks for all your hard work travelling across the province this summer. I know that, as you mentioned, you've been through my riding and adjoining ridings, like Prince Edward-Hastings, to see some of the devastation from the drought. It wasn't a pretty picture.

What I want to focus on today, Minister, specifically—and I want you to expand—is the Local Food Fund that has helped create a made-in-Northumberland processing centre. I know you had the opportunity to visit it, just by the Big Apple. The province, through that fund, invested close to half a million dollars. It helps local farmers and local businesses in the food sector do research on processing whatever they're trying to process. There has been an enormous amount of interest in the operation.

I should say, although it is located in Northumberland and Northumberland county initiated that project, there was an enormous amount of consultation with other counties around Northumberland. Peterborough was part of it and Prince Edward-Hastings and further east. As a matter of fact, I believe, during the research process and feasibility studies, they all participated, especially the local federations of agriculture. The federations were all very, very supportive.

The centre, in the end, came close to \$2 million. It's a state-of-the-art processing facility that I think other jurisdictions in the province are looking at. Once again, it's that circle: You grow it locally, you process it locally. It doesn't matter the scale or the size, we know that it creates—again, it's part of creating the best food in the world.

Minister, can you elaborate on other successes from the fund? I know how beneficial it has been to eastern Ontario, but where do we go from there?

**Hon. Jeff Leal:** Thank you very much, Mr. Rinaldi. You're absolutely correct. The centre in Northumberland is just fantastic. When I get the opportunity to visit with you and colleagues to see these operations, it is really heartening in many ways that an entity like you have in Northumberland—and you're quite correct: Bringing folks from a wide range together under one roof is really fantastic.

We do know that more and more people, through the promotion of the Local Food Fund—Ontarians want to

buy local. I, as you do, and members around here, attend our farmers' markets on a regular basis. We've seen a fantastic upswing in the number of people who are going to farmers' markets each and every week. We've broadened the activity there by introducing the sale of VQA wines at farmers' markets, or fruit wines and ciders. So it's all this emphasis on local food.

We did launch, in 2013, a three-year program under the local food strategy. Over those three years, we committed more than \$21 million to 150 projects across Ontario. What is important when we make these investments is that we actually attract a lot of interest from the private sector. We invested \$21 million in 150 projects, which leveraged \$98 million from the private sector.

The example in Northumberland county is a good example to us all—the investment in the Ontario Agri-Food Venture Centre there. It is a much beloved agri-food incubator for eastern Ontario. It serves all of eastern Ontario. It's a 1,500-square-foot facility. It provides space for agri-food entrepreneurs to access equipment for cooking, chilling and freezing, as well as packaging.

While I'm on the Northumberland county area, Mr. Rinaldi, you know the great success of kale. For many, many years, kale was one of those things you've just got to put in those wonderful salads, to make us all healthy each and every day. Your good friends in the Cobourg area took acres that were formerly used to grow tobacco and converted to kale. Kale is a very hardy product which you can continue to harvest right into almost Christmas, because it is so hardy.

They have come up with ingenious ways to export kale products to 21 countries around the world. When you sit down to watch the Raptors play or the Toronto Maple Leafs, instead of grabbing that bag of potato chips, you may actually grab a bag of kale chips. They have the same varieties that you get in potato chips, like salt and vinegar and barbecue.

**The Chair (Ms. Cheri DiNovo):** Mr. Rinaldi, you have about two minutes.

**Hon. Jeff Leal:** That just goes to show you the entrepreneurial spirit to develop products from kale, a very basic commodity, and use that as an export platform to 21 countries around the world.

The next time you're visiting your great relatives just south of Rome, you may be able to pick up a bag of kale chips that were produced right in your riding of Northumberland-Quinte West, Mr. Rinaldi.

**Mr. Lou Rinaldi:** And if I could add—I know our time is up—the kale folks, the Quinns—

**Hon. Jeff Leal:** Yes.

**Mr. Lou Rinaldi:** It's my understanding that they're doing research for expanded products at the venture centre. Instead of having their own research station, they now go five kilometres down the road and they're able to do research.

**Hon. Jeff Leal:** Absolutely. Mr. Rinaldi, you could confirm, but didn't they win a Premier's award for innovation a couple of years ago?

**Mr. Lou Rinaldi:** They did.

**Hon. Jeff Leal:** Yes. I just wanted to confirm that.

**Mr. Lou Rinaldi:** They did. Thank you very much, Chair.

**The Chair (Ms. Cheri DiNovo):** You have a minute. Would you like to say something else, Minister, before we move to the third party?

**Hon. Jeff Leal:** No, I don't have any more Peterborough stories for you this morning.

**The Chair (Ms. Cheri DiNovo):** We'll move on to the third party. We'll come back to the official opposition this afternoon. Mr. Vanthof.

**Hon. Jeff Leal:** But I want to get on the record that in 2015, farm cash receipts were at their record in the province of Ontario: \$12.73 billion in farm cash receipts in 2015.

**The Chair (Ms. Cheri DiNovo):** Mr. Vanthof.

**Mr. John Vanthof:** Just for the record, people of Dutch heritage just love kale.

**Hon. Jeff Leal:** Try the kale chips. Mr. Rinaldi will get you a couple of free bags, Mr. Vanthof.

**Mr. John Vanthof:** I don't want to have a whole discussion about kale.

Again, I'm going to return to the Cochrane Federation of Agriculture meeting. Their guest speaker was a cheese maker in Kapuskasing. There's a new cheese factory in Kapuskasing, Kapuskoise cheese—excellent cheese, by the way. He brought up a few issues. He thinks that our rules are far too onerous for small cheese factories. A lot of our rules are meant, in his words, "for industrial plants" and not for small cheese factories or smaller artisanal production units. I'm not an expert in that, but I think it's a discussion worth having. That's why I'm putting it on the table.

You brought up farmers' markets—and there's an example. In our area, we have farmers' markets, but we have a couple of community markets, because there are not enough farmers to actually make it a farmers' market. Does that make a difference? I'm using this as an example, but again, this will be crucial in northern Ontario. Temiskaming Shores has a farmers' market, because we're surrounded by farmers. Temagami has a community market. The vendors in Temiskaming Shores are not allowed—many of them—to sell in Temagami because of our arcane health unit rules. Now, we worked this out with the health unit. These products are safe enough for the people of Temiskaming Shores but for some reason not safe enough for the good people of Temagami. That's an example of a rule—I'm all for regulations that keep people safe. You're not going to hear me talk about getting rid of regulations that keep people safe, but that's a case of a regulation that doesn't make sense. It has nothing to do with safety, Minister.

1010

**Hon. Jeff Leal:** Duly noted.

**Mr. John Vanthof:** So perhaps with Kapuskoise cheese—he's facing some of these same types of regulations. He kept using the example of the difference between a small cheese plant in Quebec and a small cheese plant in Ontario. You can buy the Quebec cheese,

but we can't produce the cheese under the same conditions. We're not asking, he's not asking and I think other small plants—we need more small plants.

We can't forgo food safety rules. I don't think you'll ever see anyone in our party saying, "Let's lay off food safety"—of course not. But we have to make sure that the regulations that we actually have in place or that we put in place are truly for food safety and are not just—I think each time a regulation is put forward it's to stop somebody who has done something wrong. We have to review that to make sure that they actually pertain.

One of his examples is in his cheese drying room. In Ontario you have to have all stainless steel pillars and everything has to be grounded. So the cheese drying room in Ontario and the equivalent cheese drying room in Quebec—there's a \$30,000 difference. Whether the pillars are stainless steel or not, as long as they're clean and the cheese is wrapped—or even if it's not wrapped in the drying room—is that a safety concern? If we can buy that cheese from Quebec does that make sense? Are we unduly over-regulating our own people and hurting agriculture in Ontario? It's a really good example and that's why I'm putting it on the record. He did a really good job—

**Hon. Jeff Leal:** Mr. Vanthof, I'll just get my deputy to respond.

**Dr. Deb Stark:** Thank you very much for that. First, in terms of your comments about the farmers' market versus the community markets: Yes, that is an ongoing challenge with communities. We have seen, because of the great interest in local food and, I think, because of some of the investments and focus that have been made recently on local food—the minister referenced the Local Food Act and the Local Food Strategy; the Local Food Fund is only a piece of that, and some funding to the greenbelt for investments in local food. There is more interest and, quite frankly, some of the farmers have trouble keeping up with the farmers' markets and being able to support them.

One of the things that the ministry does is provide a grant to an organization called Farmers' Markets Ontario. That is to support those individual businesses that wish to contribute to farmers' markets and to grow that as its own sector and its own voice. One of the things that they have that they're very proud of is something called the MyPick program, so that you can be assured that when you go to a local farmers' market and you have that ability, that you really are getting something that is close to home. It's identified with this MyPick logo, and that identifies it to the local farmer.

You are correct in your comment about the public health unit actually having the jurisdiction over that, so it's something that we can certainly share with our public health colleagues. The very specific about whether or not an operator can go or not—I'm afraid I can't really get into that one.

It does lead me into food safety in general. I'll just ask ADM Sikora to come up here to provide more information if we need it.

**The Chair (Ms. Cheri DiNovo):** I'm afraid that is our time for this morning. We will reconvene—

**Hon. Jeff Leal:** So much to chat about, so little time.

**The Chair (Ms. Cheri DiNovo):** Exactly. We stand recessed until this afternoon at 3:45.

*The committee recessed from 1015 to 1545.*

**The Vice-Chair (Miss Monique Taylor):** Good afternoon. We are now going to resume consideration of vote 101 of the estimates of the Ministry of Agriculture, Food and Rural Affairs. There is a total of four hours and 27 minutes remaining. When the committee recessed this morning, the third party had 13 minutes left in their round of questionings. Once the third party rotation is complete, we will move to the official opposition for their rotation and then to the government. Are there any questions?

Mr. Vanthof, the floor is yours.

**Mr. John Vanthof:** Thank you, Chair. I'm going to continue on my theme of asking about agriculture in northern Ontario. One thing that's very much different in the north than in other parts of the province, specifically with crown land—again, I'm assuming that we're going to be discussing crown land in the near future, but that's merely an assumption.

Crown land now, much of it in northern Ontario, is under forest management plans. Forest management plans—trees are basically another crop, only their rotation is 75 years. I've been approached by several forestry companies wondering how and if they would be impacted, because now a lot of that crown land is used for forestry. It would be the same land that they're looking for, because there are lots. We're talking about northern Ontario. We're talking about the Little Clay Belt, which is the Timiskaming area, and the Great Clay Belt, which is Cochrane, Kapuskasing and the surrounding area. There's much of northern Ontario that's the Canadian Shield, which grows some trees but is certainly not conducive to farming and not really conducive to profitable forestry either. We're talking about a lot of the same land here.

I think it should be put in the record that that's something that has to be dealt with. In a certain way, they are competing for the same area. I've been approached and I'm sure MNRF has looked at this, but I just want to put it in the record that it's something that has to be considered. Forestry is currently using much of the land that could be used for agriculture and how your ministry sees those competing forces—how that's going to be remedied.

**Hon. Jeff Leal:** I think, Mr. Vanthof, at this time, it would be best to refer that question to the Ministry of Natural Resources and Forestry.

**Mr. John Vanthof:** Okay, that's fine. I'm hoping that your ministry and the MNRF are looking at that, because it is an issue.

**Hon. Jeff Leal:** I'll just have my deputy or Mr. Malcolmson, maybe—deputy, please?

**The Vice-Chair (Miss Monique Taylor):** Start with your name, please.

**Mr. Phil Malcolmson:** Sorry. Phil Malcolmson, assistant deputy minister of policy, OMAFRA.

As the minister said, the crown land disposition process is under the authority of MNRF, which I know that you know. They do receive applications and sometimes do dispose of crown land. There is a very rigorous process. There's a number of phases to the process. I won't get into the details because I don't have all the details to the minister's point that those questions should go to them, but it does include things such as competing uses, be that under licence from forestry, be that trappers, so on and so forth. As you know, there are some significant First Nations issues with respect to land claims. The other component of any disposition process is environmental implications and implications with respect to biodiversity.

Those are all legitimate interests that would be looked at by MNRF with respect to a disposition process by anybody. Certainly, one of the things that we've heard talking to agriculture groups, such as the Beef Farmers of Ontario, but other groups and farmers, is they're wanting to better understand that process.

MNRF is totally aware of that. They've been quite helpful to our ministry and have met with some of the stakeholder groups. They pointed to us that in the past, with a view of educating people to the process and making it more transparent and understandable, they have, for example, come up with a guide for cottage lots, cottage lots dispositioning crown lands.

One of the things that we're exploring with them is, is there an opportunity to come up with a guide that would be more attuned to agricultural producers so that they could understand this process a little bit better? So that's one of the things that we're examining.

1550

**Mr. John Vanthof:** I'd just like to put on the record that we would be fully in favour of helping to develop such a guide, because it hasn't been very—perhaps not the word "transparent," but conducive to application in the past. Farmers in the north and people interested in agriculture in the north are also hearing about lobbying efforts from Beef Farmers of Ontario and others about larger-scale acquisitions of crown land and, quite frankly, are concerned because there isn't a truly transparent process now. People who are actually on the ground now, commercially farming, would also like to have access and also want to understand what the rules are.

You mentioned biodiversity. One thing that farmers in southern Ontario really don't understand, I don't think, and I could be wrong—although farmers in the south are aware of the Endangered Species Act, so far they really haven't had to deal with it directly, as forest management companies do in the north. You would assume that farmers, if they're taking over that land, would have to deal with the same issue.

I remember having a conversation with someone who was fairly pivotal in trying to push this process forward and about how he was going to put in bulldozers. I said, "What are you going to do when you hit a stick nest?"

"Well, what's that?" That's common parlance. If there's a stick nest in the forest, you can't just bulldoze that tree or the trees around it. But because farmers have never dealt with that, it's a whole different issue, and I think that's something that we're going to have to be very cognizant of going forward, that that's much different.

There has been no grace period in northern Ontario as far as dealing with endangered—and I'm not arguing that there should be. I think if it's a clear set of rules, everyone should play by the same rules. Where you're going to run into trouble is if farmers don't have to play by the same rules as the forest companies, then the forest companies are going to say, "Well, wait a sec," and rightfully so. If we are planning to protect species, then everybody who is playing in that part of the world should play by the same rules.

**Hon. Jeff Leal:** In response to what Phil Malcolmson has provided—pardon the pun—we really are breaking new ground.

**Mr. John Vanthof:** Let's not start a pun war here.

You spoke early on about improving the soil mapping. We're fully supportive. Again, in northern Ontario, it would be beneficial if we could have—and this isn't directly your ministry; this is more MNR. But working together with MNR, we could actually have overlaid maps with where is the good soil, where are the crown land leases for forestry, where are areas of specific importance to First Nations—because it doesn't do people a lot of good to go cruising around and thinking where the best farmland is if it's already space taken up.

There's lots of space in northern Ontario and there's lots of potential in northern Ontario, but there are lots of competing interests. It would save everyone a lot of time if they knew where the places are that they should be looking. As minister, as you've said, you're breaking new ground. Well, all the ministries have to break ground together. If we don't do that, we're going to be breaking each other.

I'd like to put on the record that although I'm bringing up a lot of issues regarding northern Ontario, no one wants agriculture to flourish in northern Ontario more than northerners—no one. And anything that northerners—and this isn't a political statement—can do to help this process along, we will do. There are successful farms throughout the north now. There could be many more. Anything that we can do to help this process—we get a bit nervous when a process is foisted upon us because we've been through that scenario before.

**Hon. Jeff Leal:** Mr. Vanthof, if I could just talk about the soil map for a moment, it's something that I think all agricultural Ontario sees as a very important initiative.

The soil map that's used in Canada today for the 10 provinces and the three territories was put in place 40-plus years ago. It was done by the government of Canada through the federal Department of Natural Resources. There was a division of natural resources, which was the Canada Land Inventory system, and the map was done by the Canada Land Inventory group.

But what struck me was, I was looking at soil mapping between the city of Kawartha Lakes and the county of

Peterborough—the city of Kawartha Lakes is to the west of Peterborough county. I would see a soil profile, and it would come to the boundary between the city of Kawartha Lakes and the county of Peterborough, and all of a sudden the soil profile would change. I thought to myself, "Well, that's pretty unusual that all of a sudden you would have classification of soil, you reach a boundary point and then it changes dramatically." I thought to myself, "What modern business in today's world"—you know, we were talking about technology this morning—"would use a soil map that's 40 years out of date?"

We all know that at the municipal level you're obligated to update your official plan and zoning bylaw every five years to reflect changes that occur through land uses for Ontario municipalities. In conversation with my deputy and others and people in the industry, they thought it was a worthwhile initiative to start the process over the next number of years. In fact, we're doing some work up in your neck of the woods. We selected three areas to start. As we roll this out in subsequent years, we'll be able eventually to reclassify every centimetre across the province of Ontario.

You know, Mr. Vanthof, from your extensive farming experience in northeastern Ontario that through the introduction of tile drainage—I mean, we're tile-draining land that formerly, under the old soil system, could have been classified as classes 4, 5 and 6. You add the tile drain component to it and it's as productive as classes 1, 2 and 3. Of course, the 40-year-old map from the Canada Land Inventory system doesn't reflect any of that at all. I think it's going to be crucial going forward that that's going to be a modern tool that we're going to use.

**The Vice-Chair (Miss Monique Taylor):** One minute.

**Mr. John Vanthof:** Just to close this one off, just standing up for the 40-year-old map: I looked at it for my farm. My farm has beautiful land, but I've got 30 acres that the Egyptians could have built the pyramids from, and that showed up on that 40-year-old map as Thornloe clay. So let's not throw everything out—

**Hon. Jeff Leal:** Oh, I'm not. I'm just—

**Mr. John Vanthof:** The one thing is, soil doesn't change. A municipal plan may change, but unless you're really doing something to degrade it incredibly, soil doesn't change. You can improve it—

**Hon. Jeff Leal:** In fact, the 40-year-old map shows some anomalies with regard to profiles across the province. We just wanted to take the time to benefit all of agriculture—

**Mr. John Vanthof:** And one more.

**Hon. Jeff Leal:** Sure.

**Mr. John Vanthof:** In northern Ontario, land has never really been classified, and that's why solar farms are going up on land that should be—maybe not now, but up until you cancelled the program—solar farms are going up in Temiskaming on the best land in northern Ontario, and that's because this land has never been classified. That's a huge mistake.

**The Vice-Chair (Miss Monique Taylor):** Thank you. We'll now move to the official opposition and Mr. MacLaren.

**Mr. Jack MacLaren:** Minister, I'd like to speak to you further to what we did yesterday. There was one area that we didn't get to: the Ontario Society for the Prevention of Cruelty to Animals. A few of the things that aren't quite right there that are easily identified have been identified and should be corrected but to this point have not yet. I'll try to confine it to agriculture, because that's the subject we have at hand here, and not other kinds of animals.

The OSPCA is a charity. It's structured as a charity that does two services: They provide sheltering for animals that are either turned in to them or are brought to them because they're seized off of farms because of abuse or perceived abuse. That sheltering service is a good and valuable service, and it's appropriate that it works within the charity, because the structure of the charity, of course, is an incentive to attract money to help pay for the cost of sheltering services.

1600

The second part of what the OSPCA does is enforcement. They have enforcement people who have enforcement powers and the right to write orders or charges for abuses of animals. They also work within the charity. There is a conflict of interest there, that you would have enforcement people who are required to raise money to pay the costs of doing their enforcement work. It works for sheltering, but it doesn't work for enforcement because of the conflict.

So you have enforcement people who are out there with the ability to write tickets, with the ability to seize animals and charge bills to the animal owners for the trucking, housing, veterinarian fees etc. These things create income, and that's a good thing when you need to do fundraising to pay your way, including your wages. We would never think of letting police officers be in a position where they had to write tickets to pay their wages, like speeding tickets. We shouldn't be doing the same thing here. This is a poorly structured organization on the enforcement side.

I think it was about six years ago—the LeSage/Meek report was a study that was commissioned to look into problems at the OSPCA. It was a pretty complete report, pretty thorough, and it did a pretty good job of identifying the problems. They identified pretty much what I'm going to talk about here, which is the problems with enforcement and being a charity and being in this conflict of interest with an incentive to raise money to pay their way. We need to correct that.

Before I get into suggestions for correction, I'd like to also say that another one of the problems with the enforcement people is, unfortunately, not only are they in conflict because they work in the charity, but many of the enforcement people have been infiltrated by animal rights extremists. That's a fairly obvious fact. These people tend to have, in many cases, an incentive or a wish to end animal agriculture, so that is a threat on animal

agriculture. The organization has been corrupted, in that respect, and then has this conflict of interest. It's just a terrible, terrible combination of things. You end up having things happen that are a threat to agriculture.

I'm going to tell you of a couple of cases that I experienced of people who ended up in court and being charged.

Steve Straub, from St. Thomas, had a small, five-acre property. He wasn't a conventional farmer. He had a hobby of collecting various animals—almost exotic animals. There were donkeys and there were pigs and there were chickens and birds and all kinds of things. It was little bit like a zoo, but that's what he liked to do. He was a bit of an extreme person, a little odd, but anything but a wronged or mean-minded person.

I came to know Steve and respect him as a good man and as somebody who really knew how to look after his animals. He was eccentric. He had a neighbour who called on him and complained—and of course, complaints from the neighbours are what start the process. OSPCA enforcement came and seized his various animals and birds and charged him with offences. They ran up a bill of \$167,000. Steve Straub is a farm labourer being paid 12 bucks an hour and has no real assets. He lived with his parents in the house on the five-acre property. His elderly, ill parents owned that property.

It was \$167,000 to keep and house all these animals and the various costs they could run up. They laid 19 charges against him. They went to Steve and laid the 19 charges out on the kitchen table—this is how professional this was done—and they said, "If you plead guilty to one of these 19 charges, we'll throw the other 18 away." So he pleaded guilty to the terrible offence of having the floor of his budgie birdcage dirty. Now he is a convicted animal abuser because he decided to do that, and he never should have. Then, they took him to court to—oh, and they threw him in the back of the police cruiser while they hauled away all his animals.

I spent a couple of days in civil court with him, trying to collect the money of \$167,000. He had \$10,000 and that's it. His parents had a house and property. Of course, the enforcement people insisted on putting the animals and all the charges in the name of him and his father, John. John owned the house.

If the court had decided in the OSPCA's favour that he had to pay this \$167,000, the only asset they had was the house that they lived in. They put considerable effort into collecting the money, knowing that the only asset was the house that his elderly parents lived in, so they were obviously prepared to take that.

Fortunately, he ran into a judge who spotted it for what it was: that it was just a bullying tactic and they couldn't prove any abuse—the idea that a budgie's birdcage floor was dirty didn't strike the judge as a particularly heinous offence—and the charge was extreme. So he threw it all out, for various technical reasons, and Steve got away with paying for a little bit—\$5,000—because the judge said, "Well, after all, you are a convicted animal abuser because you pleaded guilty."

It was quite something to see that, for me to be in court and watch that happen to Steve. It was very clear that that was an abuse of the purpose of the OSPCA, that no good was done, and that it was about the money.

John Nyenhuis, a large hog farmer from Huron county, runs a tickety-bo farm—really well managed, just textbook perfect. It could be a picture on the front of a farm magazine. He's an excellent manager. His veterinarian said that his animals were healthy, well cared for, well fed, well housed. He was a good farmer who did a good job of taking care of his animals, which means nutrition, health, comfort and all of that.

It's not unusual that pigs will have ruptured belly buttons, I've learned. I don't have hogs. I do farm, but I'm not a hog farmer. The way recommended by Ontario Pork to take a pig with a ruptured belly is not on the truck with all of the other hogs as they go to market, but on a smaller truck to the local abattoir, where you would kill the animal for your own freezer or sell it to a neighbour.

These hogs were not in any distress. He had four of them in a truck, and he took them to the local abattoir. The CFIA looked at them and said, "There's nothing wrong with these pigs," because, of course, they were going to kill them in five minutes. They were in an abattoir.

The OMAFRA inspector said that this was terrible. He slaughtered the pigs on the spot with a stun gun or a sledgehammer—I forget which one he had. That made a mess of the pigs, so now there were dead, bloody pigs on the floor of the truck. He put his foot on the belly of a pig to squeeze out more blood and guts, took pictures, sent it to the OMAFRA veterinarians, and said, "See? Isn't this terrible?"

What John did was the recommended practice by Ontario Pork and by most veterinarians: Separate them out and take them to the local slaughterhouse—short truck ride; humane treatment.

The OSPCA came to his house, because the OMAFRA guy reported him to the OSPCA as abusing the pigs. They came into his kitchen with his wife and read him his rights and charged him with abuse. He called a lawyer, and the lawyer recommended that he should plead guilty to a lesser charge or a smaller fine. He did so, just to make it go away.

The trouble is that John Nyenhuis is now a convicted animal abuser, and he's going to be under the gun of those people again. This would be one of the best-managed hog farms in the province of Ontario or anywhere in North America.

These are the kinds of things that should not be happening on the farms of Ontario. These are the kinds of things that the OSPCA should not be doing. They're abusing their power and authority, and they are hurting people.

The Animal Care Review Board process, which you can go and appeal to, is pretty much a kangaroo court, because we've all seen that a lot of times. Lawyers will tell you that you have to go to it, and you won't be satisfied. Then you go to a real court and get it over-

turned and, hopefully, get a proper judgment—a lot of time and a lot of money.

We need to make some changes, and I would suggest changes along these lines, Minister:

The sheltering services should be separated from the enforcement services. They can remain within a shelter, and that's appropriate. The incentive for fundraising for the charity works in that case.

The enforcement services of the OSPCA should be disbanded and done by others. It would go like this: OMAFRA would have a staff person that we will call an animal rights information person, or whatever title you want to give them. They would receive the anonymous phone call of reports of abuse on farms. This animal rights information person would go and look and see. If, in their opinion, there appeared to be abuse or suspected abuse, they would call a veterinarian. The veterinarian, being a professional in animal health, and therefore on whether or not there is abuse, would come and give his professional opinion on whether there was abuse or not, or what remedy there needed to be. It could be something as simple as feed and water or medicine or whatever.

#### 1610

Now, the veterinarian would have to be an acceptable choice to the farmer. All veterinarians are good veterinarians, because they're all licensed in Ontario, just like medical doctors. They're all qualified professionals.

If the veterinarian decided that in fact there was truly abuse here, he would say so to the animal rights information person, who would then call the police. Under the Criminal Code of Canada, where animal abuse is a crime, the police would come and listen to the recommendation of the veterinarian and the animal information officer, and lay charges if those people deemed it was the correct thing to do.

That would be an unbiased process. Policemen are carefully, thoroughly trained and screened in many, many ways. There are many, many ways to take a policeman to task if he isn't doing his job properly or abuses his power and authority. None of those things are available with the enforcement people at the OSPCA. They have little training. It used to be almost none. It has somewhat improved, but it's inadequate, and there are things wrong with that service.

What I just described to you would be an effort, an attempt, to provide proper oversight and accountability. You would have veterinarians who have oversight of the veterinarians' licensing body—the College of Veterinarians of Ontario, I think it's called—to make sure they are doing their job. They are properly trained professionals in animal health to start with, and therefore animal welfare. Policemen are properly and thoroughly trained and accountable, and held accountable by various bodies for their actions, and you would end up in a court system where true justice is more likely to be found.

If that was the system that we had for Steve Straub and John Nyenhuis, they would not be convicted of animal abuse as they are today, and they never should have been.

That is what I would put forth, Minister, as something that we should be looking at that would do something good for agriculture. It would protect us from animal rights enthusiasts—if you would, extremists. It would give us unbiased enforcement. It would give us professional, proper, accountable enforcement, and we welcome that.

**Hon. Jeff Leal:** Well, thank you, Mr. MacLaren. As a general observation, I think, as a society, there is no place for neglect and abuse of animals.

The Ontario Society for the Prevention of Cruelty to Animals, of course, comes under the jurisdiction of the Ministry of Community Safety and Correctional Services. It is my understanding from that ministry that the mandate letter is to do a review of the Ontario Society for the Prevention of Cruelty to Animals. We'll certainly make note of that, and it's best to refer that to the Ministry of Community Safety and Correctional Services.

I know my deputy would like to make a comment, as she is an outstanding veterinarian by profession.

**Mr. Jack MacLaren:** Oh, well then.

**Dr. Deb Stark:** There we go. No pressure here. Deb Stark, Deputy Minister of Agriculture, Food and Rural Affairs.

**Hon. Jeff Leal:** Dr. Deb Stark.

**Dr. Deb Stark:** As the minister has said, the OSPCA legislation is under the Ministry of Community Safety and Correctional Services. I believe the commitment in the mandate letter is to review animal welfare in general, Minister, as opposed to specifically the OSPCA—so just a slight correction there.

We, as a ministry, work very closely with them to make sure—as you say, education is important. When they go onto farms and make those decisions, there is a tremendous amount of judgment that's required. We have an ongoing and strong relationship with them to make sure that they have the training that they need, as does the industry. Several of the livestock organizations have agreements with the OSPCA to provide training, and sometimes to be involved when there are some welfare situations.

At the national level, there is something called national codes of practice, which set out the agreed-upon welfare standards by which livestock should be raised in Canada. They are voluntary. They are put together by a group of industry, humane societies and governments.

I'm looking at my assistant deputy minister here to see if she has anything more to add—but certainly you see in Ontario the commitment of the sector to work with those. We will certainly, as the minister says, share your comments and take back your comments about the OSPCA.

**Mr. Jack MacLaren:** Thank you. It is the lack of oversight and accountability that is the problem.

**Dr. Deb Stark:** I hear you. We hear you.

**Ms. Debra Sikora:** I'm Debra Sikora, assistant deputy minister for the food safety and environment division.

Just to add to what the minister and deputy said, we also have a role to play in educating our OSPCA inspect-

ors. They also receive some education from the University of Guelph, through some of the Equine Guelph welfare programs that have been put in place to ensure oversight for the equine industry. We also have a role to play within slaughter facilities. We have a number of welfare guidelines that we audit and inspect against to ensure that balance between proper animal welfare and production.

**The Vice-Chair (Miss Monique Taylor):** Mr. Barrett.

**Mr. Toby Barrett:** Just to change topic, to the minister: You've been asked a number of times—perhaps on this committee—about the need for natural gas expansion across the province of Ontario. Many groups—the OFA, of course. There was a commitment in the 2013 budget for a \$200-million natural gas loan and a \$30-million natural gas expansion grant. To date, none of that money has flowed. Very simply, is there a date, is there a timeline when money will commence flowing for natural gas expansion?

**Hon. Jeff Leal:** Of course, this topic was outlined on page 63 of our budget that we presented last spring.

We're committed to launching the \$30-million Natural Gas Economic Development Grant. I know that in every part of the province there is great interest in that.

The Ontario Energy Board continues to do reviews to facilitate natural gas expansion to communities. As the member knows, the OEB is an independent tribunal, and I have no authority to make any demands of the Ontario Energy Board, but we'll certainly make note of your comments today and take those back to the Ministry of Infrastructure.

**Mr. Toby Barrett:** Is there any concern, budget by budget—this was announced in the 2013 budget, as I understand. There'll be another budget coming up in a number of months. Is there a concern that we may lose this money representing rural Ontario—

**Hon. Jeff Leal:** I think, Mr. Barrett, we are very clear on page 63 of our budget that we released last spring.

**Mr. Toby Barrett:** Thank you, Minister.

**The Vice-Chair (Miss Monique Taylor):** We'll move on to the government and Mr. Dong.

**Mr. Han Dong:** Good afternoon, Minister. I want to take this opportunity to talk about the trade missions that you've been on. In 2014, the Premier led a very successful trade mission to China. After that, you were directed to go with the Minister of International Trade to China, as well, and my understanding is that it was a very fruitful trade mission. Following that, I remember taking part in the trade mission with the Premier and the Minister of International Trade and the Minister of Economic Development, as well as the MPP from Scarborough—Aigincourt, in 2015, resulting in \$750 million in investments. As well, her trip to India following that yielded 16 new agreements and \$240 million in investments. She has also indicated that you will be travelling again to India with the Minister of International Trade. I wish you much success on the trip. I know it's not easy to do this international travelling. It's very demanding

mentally and physically, but these are things that we must do to have an open Ontario and attract foreign investments and brand Ontario abroad.

**1620**

Can you give this committee more information or details regarding the efforts to promote Ontario agri-food products on these trips in China and in India, and what you would be doing in the upcoming trade mission trip to India?

**Hon. Jeff Leal:** Well, thanks very much, Mr. Dong, for that question. You are indeed correct. In April 2015, along with International Trade Minister Michael Chan, we had the opportunity to lead Ontario's first agri-food trade mission to China with delegates of 20 businesses and organizations. It was my very first time in my life going to China. I read a lot about China. I was very interested in going to China, just to really understand what the country was all about. In many ways, it certainly met my expectations. It's an interesting, interesting country. We were able to visit several cities, several provinces.

Canada has an outstanding reputation in China. One of the first nations in the world to recognize the People's Republic of China as being the entity to speak on behalf of the Chinese people—Prime Minister Pierre Elliott Trudeau made his famous trip to China to cement that relationship. But interestingly enough, after his visit he was followed by Richard Nixon. President Nixon and Henry Kissinger went to China to recognize the People's Republic of China.

Before that, I think every Ontario community had a street named after Dr. Norman Bethune. I know in my hometown of Peterborough, right near my constituency offices on King Street, for those who know Peterborough, the next street going on a north-south base is Bethune Street. We know the amazing story of Dr. Norman Bethune. He was on the Long March with Mao Zedong and provided innovative medical techniques to service wounded soldiers as that Long March was occurring. To this day, he is still seen as an icon in Chinese society.

But more importantly, it was an opportunity—there's a real appetite for Ontario-grown and Ontario-processed products in China. Previous governments, to their credit—we all created the Foodland Ontario symbol. Foodland Ontario means something on an international basis. It means two things: outstanding food quality and outstanding food safety.

One of the things the Chinese were particularly interested in was our approach to food safety, because that has been a bit of a challenge for many of the communities within China. The other thing, of course: They quite like our VQA red and white wines, and they're also very enamoured with our icewines. Pillitteri Estates controls about 20% of the world market when it comes to icewine, and in China, it's a significant market. Mr. Dong, if you were living in China right now and you were inviting some of your friends over for an evening social and you served them Ontario icewine, that would give you a

certain status within that community, by providing your guests with Ontario icewines.

In China, there are great relationships going back and forth. The Shijiazhuang Junlebao Dairy Company, Futurevic Global Sourcing—we continue to work out ways to foster that relationship.

Later this month, on November 13, Minister Chan and I will be heading to India. I'm getting ready for it because yesterday in Peterborough, I started to get my first series of shots—hepatitis A and B, typhoid. I got my malaria pills. I've got to fast this evening. So I'm getting ready for my adventure to India. I'm of course very pleased that my deputy will be accompanying me on this trip.

The challenge for Ontario and in Canada is that we have got to continually seek export opportunities because export opportunities, whether it's in the agri-food sector or other sectors, allow us to build those value-added jobs and also allow our businesses to move to a world scale. Our ability to compete in international markets is our ability to get our companies and businesses to a world scale, to compete on an international basis. You and I know, and everyone in this room knows, that Ontario businesses can compete with anybody in the world because our products are second to none.

Just as a bit of an aside, in terms of food safety, in Hong Kong, they will pay \$30 for a cauliflower to come from another jurisdiction, in order to get access to food. As I said, we see in China and India, with growing middle classes, a great opportunity and changing consumer tastes, which is important. I talked this morning a little bit about kale chips—our ability to export kale chips to 21 countries around the world because consumer tastes are changing, and we want to take advantage of that.

**Mr. Han Dong:** That's great. Deputy, do you have something to say?

**Dr. Deb Stark:** I just wanted to add that India and China are two of our priority markets, as the minister has said—

**Hon. Jeff Leal:** Going Global.

**Dr. Deb Stark:** Going Global. International markets are a real opportunity. We love to sell food to the people of the province and of Canada, but the real growth is in other parts of the world. Our other priority markets are the United States, which is our number one trade partner, Japan, the EU and Mexico. As part of that strategy, we have investment and trade officers both in India and China, people on the ground who can support those Ontario businesses that wish to go and sell and can provide that kind of intelligence—and also, those people in those countries who might be interested in investing in Ontario.

It's that personal, one-on-one contact and outreach that really makes the sale in the end. It's two businesses shaking hands that make the sale. That's what we really try and facilitate. So I just wanted to add that.

**Hon. Jeff Leal:** Mr. Dong, if I could just add, there's a lot of talk south of the border in this cycle of the American presidential election about NAFTA, the trade

agreement between Canada, the United States and Mexico. Canada's trade to the two other NAFTA countries, the United States and Mexico, is about \$34.4 billion in agricultural products. Ontario represents \$10.4 billion of that trade, so Ontario has about one third of what we trade in agricultural products to our two other NAFTA partners.

**Mr. Han Dong:** That's great. I want to thank you for all these efforts you've been putting in after you were appointed to your portfolio.

My observation is, around the world, with the increasing globalization or the deepening of globalization, we have really no other choice but to be more competitive, to go out there and promote—and that's what we were elected to do. There are a lot of expectations from the business community that are put on us and from the agricultural community. When we talk about opening Ontario up to the world, agriculture is a very important part of it. I think about Australia and New Zealand and how aggressive they are internationally. If we wait for another five to 10 years, those market shares will all be occupied. It will be very, very difficult for the future generation of our farmers. They will have to pay a higher cost to fight for those market shares.

So I commend you for what you're doing right now. It's going to leave a long legacy behind.

**Hon. Jeff Leal:** This Friday night, I'll have the opportunity to be at three high school graduations in my riding of Peterborough: Crestwood, Adam Scott and Kenner Collegiate. Kenner is where I went to high school, in the south end of Peterborough.

The message I'm going to be delivering to those graduating students is that the two big public policy questions of the 21st century are going to be food security and fresh water. That graduation class, those individuals who I'll see this Friday night—by 2050, there will be nine billion people in the world to feed. So many of those graduates who are in those three high schools this Friday will be involved in that activity to feed nine billion people.

So when you think about it for a moment, if you're looking for career choices going down the road, agriculture is going to provide unlimited opportunities for career choices to meet the world's demand that's going to be there. Canada and Ontario are going to be leaders in helping to feed those nine billion people by 2050.

1630

**Mr. Han Dong:** Great. Thank you.

**The Vice-Chair (Miss Monique Taylor):** Mr. Crack?

**Mr. Grant Crack:** Thank you, Minister. I'm going to ask about the agri-food growth challenge that the Premier had referenced back in 2013, with creating 120,000 jobs across the province by 2020. I noticed in your opening remarks, Minister, that we're at about 42,000 jobs. To me, that's a pretty good percentage. Three years in, we're almost getting close to 50%, with four years to go, so I think we're doing great in that.

Of course, Minister, you know that I was fortunate enough to be able to champion the Local Food Act

through the Legislature a couple of years back. Of course, that was an inspirational type of legislation that encouraged everyone across the province of Ontario to buy local.

In my riding—I don't know if you've heard of it—have you ever heard of Beau's beer, Minister?

**Hon. Jeff Leal:** Yes, I'll be able to chat about Beau's for a moment.

**Mr. Grant Crack:** That's great. Beau's is actually here on a regular basis. They were the beer of the Legislature downstairs recently, as well, and they are here at every one of the craft beer receptions that they have.

I recall when Beau's started up 10 years ago. It was just a family operation. Now they're up to about 150 employees. They're in Quebec and the United States. It's quite remarkable. I had the good fortune of going to their 10th anniversary on July 2, and the enthusiasm in Vankleek Hill is incredible for what that one particular industry has done. It is now their biggest employer. I'm really proud of the support that we as a government have provided to them in expanding their business. I know that's what we believe in as a government.

Also, of course, there's Fromagerie St-Albert. We have the cheese factory in St-Albert that suffered devastation, a fire, back in 2013. Now they've rebuilt, bigger and better than ever, and are continuing to thrive. The Premier was actually down a couple of weeks ago, had a tour, and was shown how the process of actual cheese-making is undertaken. It was a great eye-opener, so again, we're really proud of that.

Minister, I was also able to attend the Tri-National Agricultural Accord conference. I met some farmers from down in the United States, particularly one young gentleman from Nevada. His family is in dairy. I asked him about local food. I think we've been leaders, because people are looking at Ontario and seeing the good work that we've done in promoting local food and what it means for our local economies. I was just explaining some of the great success stories. So I wanted to thank you for allowing me to go down to the Tri-National Agricultural Accord and participating and meeting our partners in that agreement.

I could talk about five or six other of the great initiatives that we've done. One other that I'll talk about is the fact that at our local food counters in some of our grocery stores now we have our local products that have actual shelf space. For example, at the Metro in Casselman we have Laviolette Poultry Farm. They supply the eggs.

We have Skotidakis. I'd always be remiss if we didn't talk about Skotidakis. I had the opportunity to go and visit again during the summer. This is such a huge operation. They're distributing their products internationally and continuing to grow. They're going to be building a 5,000-capacity goat barn; that's under construction right now. There's more that they're doing with their Greek yogourt and other Greek products.

Those are a couple more that I wanted to mention. I'll just give you some time, maybe, to respond with regard to the Premier's challenge and where we're at, if you had anything to add.

**Hon. Jeff Leal:** Well, thanks very much, Mr. Crack. I can say without reservation that your community of Glengarry–Prescott–Russell would be very proud of the work that you did at the tri-national conference articulating Ontario's position in a very thoughtful and articulate manner at the opening dinner last Wednesday. We want to thank you for that.

I have had the opportunity to be in Glengarry–Prescott–Russell and I know the great work you do in terms of advocacy, particularly for the francophone farmers who are in Glengarry–Prescott–Russell. We know those francophone farmers are of course heavily involved in the dairy sector in that part of Ontario. I have had the opportunity to eat the famous curd from St-Albert and it's always quite a treat to enjoy that.

You mentioned Beau's brewery. Vankleek Hill is a wonderful community. I know the mayor, Gary Barton, very well. Gary Barton's daughter Jennifer is married to one David Crowley in my riding of Peterborough. David, Jennifer and David's father, Joe Crowley, who is another good, close friend of mine, have a large chicken operation in my riding of Peterborough. They're now very involved in the organic chicken side of the business. Most unfortunately, David and Jennifer had a devastating barn fire. Thank goodness nobody was hurt, but they did lose the barn.

I know from time to time that Mayor Barton comes to babysit at the Crowley farm on County Road 45, just south of the wonderful community of Norwood. Norwood of course has one of the longest-running fall fairs. It just occurred on the Thanksgiving weekend and I was there to do an opening.

But just to talk about Beau's for a moment—

**The Vice-Chair (Miss Monique Taylor):** One minute, Minister.

**Hon. Jeff Leal:** That's a great example of a growing company. I remember visiting that day. It was about 10:30 in the morning. I always realize that somewhere in the world it's 12 p.m., so I did take the opportunity to enjoy some of their very fine product.

Craft beer is growing at about 6% in the province of Ontario and is really allowing small, rural communities to seize upon a real opportunity to develop craft beer. I have two in my riding of Peterborough, Publican House and Smithhavens. They're just flourishing. We're giving them the opportunity through a reform of beverage alcohol. It's the first time we've done this in 90 years, since Prohibition was lifted in 1926. Many of these craft beers are now finding their position in grocery stores so the broader consumer public gets the opportunity to enjoy craft beer.

**The Vice-Chair (Miss Monique Taylor):** We'll move back to the official opposition and MPP Barrett.

**Mr. Toby Barrett:** Thank you, Minister. Maybe I'll follow on some of the previous discussions with respect to international trade which, of course, is crucial for the province of Ontario, actually both in a positive way and a negative way. It's very important for our hog industry and very important for cattlemen.

You made mention of travels in China. Did we get any contracts with respect to ginseng? I represent an area—ginseng country. We grow the best ginseng in the world, really. It's natural to our area. Certainly since the Second World War, the ginseng trade, as I understand it—it's very hard to get a handle on it—is basically funneled through Hong Kong. We don't seem to have appropriate trading relationships with China, the market for ginseng, and there's tremendous potential there. Again, it just seems to be kind of uncontrolled and cash-based. I could go on and on about that side of it.

How are we doing on ginseng, and where is the structure within OMAFRA to deal with these kinds of trade issues?

1640

**Hon. Jeff Leal:** Mr. Barrett, I'll get my assistant deputy minister for the economic development division, Randy Jackiw, to respond.

**Mr. Randy Jackiw:** Thanks. We do have specialists who work with the ginseng industry, as you know, around recommendations as far as growing. There's a crop-insurance product for it, so the production is covered off pretty well.

We are aware that there have been challenges in marketing. Securing those markets has been difficult. I know that we've identified it as an issue in trade and securing markets, but—

**Mr. Toby Barrett:** In these kinds of products, I think of other smaller, niche crops—I think of tobacco, for example. Export continues to be very important. Again, China: Sometimes we think we've got a contract and then we lose it.

How can we better enable these niche crops like ginseng, tobacco, Belgian endive and a whole host of other, primarily fruit and vegetable products—how can we assist these smaller commodity groups with organization, for example, where they can have a better presence, because they're dependent, in many cases, on export? The cattlemen and the hog producers do have a presence, but some of the other ones we want to bring along as far as export.

**Hon. Jeff Leal:** Randy?

**Mr. Randy Jackiw:** I think you have touched on that marketing is a key aspect of this. Quite frankly, the work that we do in the division and the ministry is to support the industry leadership in these areas. We do tell people in every one of our business seminars—encouraging that the market comes first and growing it comes afterwards. That's one of the challenges that Ontario has. As you know, we can grow just about anything, but securing those markets for it—we do have staff. Again, I already covered it on the production side, but we've got an export unit that does offer products around getting ready to export. We've got an export road map to China that has been put on. We do as much outreach as we can, but at the end of the day, it is very much up to the industry leaders to secure those markets and lock them down.

The challenge with ginseng is that it was heavily reliant on one market. I know that staff are working on it, but I don't think it has been solved yet.

**Mr. Toby Barrett:** OMAFRA's export unit: How many people work there or what department is that related to?

**Mr. Randy Jackiw:** In the business development unit, which covers domestic—we also do work around investment attraction, making sure that there's investment in processors, plus the export unit—there are 45 people, I think, in total. But I would also want to emphasize that we work with other ministries; this isn't us alone. In fact, with the trade missions that were just being referenced, that's joint with international trade. Economic development and growth: We spend a lot of time with them, as they've got networks across the province as well.

**Dr. Deb Stark:** If I could just add on the market-access issue part of it, in our policy shop—so ADM Malcolmson's shop has a trade unit.

**Mr. Toby Barrett:** I'm sorry—again?

**Dr. Deb Stark:** In our policy shop, we have a trade unit that focuses on international trade. One of the things we do is work with the federal government. They are the ones that tackle these market-access issues. They always have a longer list, quite frankly, of challenges than everyone has the capacity to solve. So they routinely refresh their list of which ones they think is a priority. In Ontario, we have increased our number of people that are on this file because of the importance of trade and international trade and being able to give the federal government good advice about which are the priorities for Ontario.

**Mr. Toby Barrett:** Yes, I was going to ask: How do we work with the federal government or with other provinces? We obviously must have worked pretty closely with Alberta up until the beginning of this year around country-of-origin labelling, which I thought was a horrendously unfair situation that we got caught in.

**Dr. Deb Stark:** We absolutely work with the federal government, as I say, in providing our best advice on which of the files will be a priority for the province, for Ontario. We work with our sister provinces when we find issues in common.

We have formal tables. Minister Leal is part of the federal-provincial-territorial ministers' committee. They meet at a minimum once a year to discuss policy issues, and more if required. At the deputy level, we meet a couple of times a year, and the ADMs, both ADM Malcolmson and ADM Jackiw, are on federal-provincial ADM committees. At that point, we also discuss these things, and that's where you can find allies in other provinces to either initiate work on your own or to impress upon the federal government how important it is.

At the subnational level, the other table that we've got into since Minister Leal became minister is the tri-national accord, which the minister mentioned Ontario just hosted. That's actually subnational governments in Mexico, the United States and Canada. We have bilateral work plans with Canada and Mexico and one with Canada and the United States. That's where we, again, find areas of common interest. Canada was very pleased when Mexico, just a few months ago, removed some

requirements that they had on beef. In return, the Mexicans were very pleased because we removed some trade restrictions when it came to swine.

The decisions again are very much at the federal level, but certainly the provinces and states have significant influence on those federal governments. As I say, we're spending even more time on that than we have in the past because we really believe that the international markets are where we really need to increase our investment.

**Hon. Jeff Leal:** And just to add, Mr. Barrett, when we were in China, we took full advantage of the Canadian embassy in Beijing. The ambassador there was extremely helpful. When we arrived in Hong Kong, the consul general from the government of Canada in Hong Kong was again very beneficial.

As I said repeatedly, I enjoyed a good relationship with former trade minister Ed Fast and former ag minister Gerry Ritz. We were together in Atlanta a year ago during TPP. I can tell you that the current Minister of Agriculture and Agri-Food, Minister MacAulay, is in China as we speak. He was with us at the tri-national.

Deputy Stark just talked about access for our Canadian Ontario beef to the Mexican market. The real value over the last 25 years of the tri-national group is developing those kinds of personal relationships. That means a lot when you're trying to resolve an issue—that you have a good understanding of each other and those very important personal relationships.

**Mr. Toby Barrett:** Yes, I think that is very important.

I just think that country-of-origin labelling is unfortunate. It's like softwood lumber—it's a chronic burr under the saddle, so to speak, and with country-of-origin there were certainly some United States elected representatives who understood. There were some who didn't. We played hardball. They were put under threat. That got resolved. But those groups are still out there and so we haven't really had a COOL situation, I guess, since December last year or January.

You made mention of NAFTA. We all watch with great interest as to which will be the new administration in the United States. Are there any problems on the horizon, anything that we should be worried about? I'm thinking mainly of US policy, whether it's protectionism or what have you.

**Hon. Jeff Leal:** Well, as everybody around this room knows, you can never predict election outcomes.

**Mr. Toby Barrett:** No.

**Hon. Jeff Leal:** But I did reference NAFTA. For former Prime Minister Brian Mulroney, of course, step one, in 1988, was the Canada-US trade deal, and then in subsequent years we added Mexico. I just talked about Canada's agricultural trade with the United States and Mexico being \$34 billion-plus. Ontario represents in excess of \$10 billion in total Canadian exports.

**1650**

I like to remind people that my background is my degree in economics. I remind people that the Great Depression became "great" because international trade was frozen for a decade. That's what made the Great

Depression “great.” So when it comes to trade deals, the world needs an exchange of goods and services between countries. That is the only way that we can all prosper together.

Having said that, we’ve got to make sure that trade deals are fair and that they have the appropriate appeal mechanisms within.

Mr. Barrett, you talked about COOL. On four occasions, the WTO ruled in Canada’s favour when it came to COOL. As you’ve articulated, R-CALF, which became a very powerful lobby group, had representatives both in the United States Congress and the United States Senate. The next part of the COOL repeal will be to have it repealed for sheep and goats. COOL still applies to those two areas. That was a topic of intense discussion at the tri-national conference just last week.

**Mr. Toby Barrett:** I see, because they didn’t seem to get involved before—

**Hon. Jeff Leal:** No, they—

**Mr. Toby Barrett:** Yes. Again, I think what’s key is fair trade. I don’t have a problem with border controls to a certain extent—supply management, for example—but again, it’s the unfairness.

I’m thinking of our broiler industry with the unfair imports, the fraudulent imports, of chicken using loopholes. As I understand, the spent hens, the layers, can be imported and that’s fine. But they’re being imported—it reminds me of the butter/oil thing where you put a package of cranberry with it and ship it in, or maybe you add cheese and ham with cordon bleu. I like chicken just the way it is but I think there’s other stuff you can stick in them. That’s a loophole. Essentially, they can come in without paying tariffs and come in duty-free.

I support supply management, having watched my family pay the price before supply management came in as far as broilers, hatching eggs and dairy. But there just doesn’t seem to be any limit on the imports. It seems like a very large number of spent hens are coming in using various tricks of the trade, like the cranberry sauce. I know this is partly federal, but just given the importance of the broiler industry in the province of Ontario, what can OMAFRA be doing about this?

**Hon. Jeff Leal:** Mr. Barrett, when Minister Ritz was the former Minister of Agriculture and Agri-Food and Mr. Fast was the former Minister of International Trade, it was raised consistently at the federal-provincial territorial meetings, with regard to border control.

You’re right. I remember as a kid growing up; it was kind of that old story of Home Alone. There was nothing much in the fridge but there was a Swanson TV dinner that I could throw into the oven because I was really hungry. Of course, that was a good example of the fried chicken or the tough turkey—and the turkey was tough in those TV dinners—that would come into the country unabated, and you’ve raised that point.

It was also raised again this past summer at our annual meeting in Calgary with Minister MacAulay. It is Ralph Goodale, the federal Minister of Public Safety, who has responsibility for border control. I’ll ask my assistant

deputy minister Phil Malcolmson to also provide comment. Phil?

**Mr. Phil Malcolmson:** As you correctly—

**Mr. Toby Barrett:** How much time, Chair?

**The Vice-Chair (Miss Monique Taylor):** Just under three.

**Mr. Toby Barrett:** You have three minutes. I just have one final question, but I’d like to hear—

**Mr. Phil Malcolmson:** Sure, I’ll be very quick. You correctly noted that one of the fundamental tools of the supply-manage system is appropriate border controls. The issue that you were referring to is referred to as border integrity. The reality is that there is a significant economic incentive for importers to try to get around the rules, and they’re quite ingenious with respect to how they do it.

There was an example two or three years ago with respect to pizza kits being used as a means to smuggling dairy products. Through the efforts of the minister and working particularly with the minister of Quebec, Mr. Pierre Paradis, they did jointly advocate to the federal government that time, and direction was given to the CFIA and Canadian border services, and that problem was solved.

As you know, one of the very topical issues now which is having significant economic consequences for Ontario’s poultry industry and across Canada is the issue with respect to spent hens. The minister has written a letter to the federal minister and, as he noted, he did raise it in Calgary again. But this will be an ongoing issue that I think requires vigilance by commodity groups, that requires advocacy by provincial governments, and it really does require a lot of attentiveness from the federal agencies that are tending to our borders.

**Mr. Toby Barrett:** I know we’re running out of time. I recall, several years ago, this Legislature basically sent Leona Dombrowsky to Geneva to argue a case with respect to supply management. All three parties signed a joint letter of support. She went to Geneva with full support of all of us at that time.

Having watched that COOL battle and then seeing this—and perhaps we’re not meeting the full demand for chicken in the province of Ontario and it has left this opening—but I am worried, as we ramp up, and we do wish to encourage more broader producers. If we do wrap up our supply, I’m worried about this.

If the federal government is not moving quickly enough, I would like to co-sign the letter with my counterpart, with the third party and with the minister if it comes to that. I just threw that out. Any response to that?

**Hon. Jeff Leal:** Well, Mr. Barrett, I will be relentless in my defense of supply management and will continue to engage the federal government on this issue. If everybody feels—certainly, a joint letter would be appropriate to make sure that we reinforce our defence of the supply-manage model, which I talked about in response to Mr. Vanthof.

**The Vice-Chair (Miss Monique Taylor):** You’ve got, like, eight seconds. Okay. Thank you.

Third party, MPP Vanthof.

**Mr. John Vanthof:** If all it takes is signing a letter, I'm game; I'm ready to man the barricades when it comes to supply management.

Something that the assistant deputy minister for the economic development division said—and I was listening intently—is that one of the challenges in Ontario is we can grow just about anything. It reminded me of—and this is not going to be a question, just a statement—one of the first things I remember after moving to northern Ontario. The first big wave of agriculture immigration I remember, to northern Ontario, was in the late 1970s. We came in 1971. We were kind of ahead.

They had a meeting and someone asked a local expert in agriculture who actually was a pioneer in tile drainage—Rod Inglis, and his son is operating now, Inglis Farm Tile Drainage—what they could grow in northern Ontario. He stood up, and—I'll never forget this—he said: "We can grow just about anything." As he was sitting down, he said: "It's harvesting it that's the problem."

*Laughter.*

**Mr. John Vanthof:** That's always stuck in my mind.

Anyway, I would like to go back to the OSPCA issue. There is, I believe, an OSPCA chill in Ontario. That's a problem. It is a problem.

**1700**

I'll give you a personal example again—I won't have a big question in this, but just a personal example. My wife had an antique store across the road from our dairy farm. We still have the house. The OSPCA inspector was a frequent customer of my wife's antique store, which is great. My wife didn't know she was the OSPCA inspector. Everything was fine. We had a horse in a five-acre pasture across the road. The inspector didn't know it was my wife's horse. Anyway, the horse was lying flat out in the middle of the field, as horses do. I was doing something. She stopped and she was very aggressive with me that this horse is obviously in distress and that I should do something about this. It was very aggressive until my wife came out onto the porch across the road, clapped her hands and said, "Velvet." The horse stood up and walked away. The tone totally changed. That was an example of what farmers sometimes deal with.

They serve a role, and perhaps we could change how it's put together. That day was the first time I experienced—it wasn't, "Sir, is the horse okay?" It was, "The horse is being mistreated." When my wife came out, it was totally different. I thought, "I don't know if I'd want that lady in my barn because I don't think she's objective." I think that's something that has to be put on the record: that somehow, unless the farming community—and do you know what? Every occupation has bad actors. By far, the majority of farmers and people who keep animals are very good at keeping animals; otherwise, they wouldn't do it. A lot of those people have a chill, and until we get over that—and that day taught me a lesson that it wasn't the same.

Anyway, I'm going to go back to one of my favourite digs, and that's northern Ontario. Early on—I believe, the

first day—we were talking about they were renewing the research with the University of Guelph and the contract. I touched on it about research in northern Ontario.

Just as a background, there has been a research farm in New Liskeard for 100 years. When the college closed—that was the NDP that closed that. I can't blame that on you. I would like to, but I can't. That point was kind of a turning point, and things weren't the same after. A couple of years ago, it was rumoured that the research station was going to close. To his credit, Minister McMeekin came, we toured him around, and that put a halt on what was rumoured to happen. I would just like a confirmation that the ministry is going to continue to actively pursue research throughout northern Ontario, because there are a lot of things that you can't research in Guelph and have work in the north. A lot of our varieties that we use—when public research slowly petered out, and it did—not so much the research, but the reporting of the results wasn't very good. When a farmer doesn't see reports of results, he or she is kind of oblivious to the research.

A lot of us started using varieties developed in western Canada, and it worked a lot better because our climatic conditions are much closer to western Canada than they are to Guelph. That showed that we need to keep research in the north, and I just want to confirm that you are continuing to actively ensure that there will be continued research in northern Ontario.

**Hon. Jeff Leal:** Research is certainly critical to the agriculture and agri-food processing sector in Ontario, particularly—I'll get my deputy to answer more, of course—up in your area, the Little Clay Belt. We need to grow those cool oats for Quaker Oats in Peterborough, for the granola bars and the oatmeal, so we've got to keep advancing that forward. I'll let Christine Primeau answer that question.

**Ms. Christine Primeau:** Christine Primeau, ADM for the research and corporate services division at OMAFRA.

We are committed to continuing to develop and conduct research in northern Ontario. As part of the Agricultural Research Institute of Ontario, there is an infrastructure strategy that is looking at all of our research stations across the province. We are continuing to conduct research, especially in New Liskeard, around field crops and horticultural and environmental research related to northern conditions. There is a commitment to continue to do that, but as part of the infrastructure strategy, we are looking at some of the dated infrastructure that exists and trying to rationalize that over a 10-year period. We're certainly well on our way to do that.

**Mr. John Vanthof:** Okay, thank you. My next issue relates to northern Ontario but it relates to the whole province. The neonicotinoid issue regarding corn and soy—it was fully the government's prerogative to do the regulations; whether we agree or not is another story. One thing that has been brought up several times in the Legislature but needs to be brought up here as well is regarding the crop consultants to actually do the program, to verify the program. I'll give an example.

In northern Ontario, it's pretty hard to find an independent crop consultant who can do a timely assessment, because I believe there's one, and he's pretty busy farming himself. It leads to a bigger question: If a crop consultant is certified, as is any other profession, and if you believe in the certification, why do we need a different set of regulations? That same crop consultant will give farmers advice on what chemicals to use in crops. Some of them could be more damaging than neonicotinoids, quite frankly.

How was the original idea conceived? Is there any chance to change it to not make it easier for farmers but actually to make the program more workable and more understandable? In many parts of the province, it's currently not workable.

**Hon. Jeff Leal:** Thank you, Mr. Vanthof. When Bill 4 was presented to the House by the member from Huron-Bruce, our government supported that private member's bill. I would certainly encourage you to speak to your House leader. I would encourage the opposition to speak to their House leader—those are the three individuals who control the business of the House, whether this bill will go forward to the committee process. OMAFRA: We are taking a look at the bill. I think it's widely accepted that healthy pollinators lead to healthy agriculture in the province of Ontario. We recognize that. Of course, when farmers demonstrate need, they could get still get access to neonic-treated seed.

**Mr. John Vanthof:** I don't know how to answer that one. With all due respect, if we're going to leave this up to the House leaders, of which I am one—we support the member from Huron-Bruce's bill, but quite frankly this doesn't need a private member's bill. Your scope within the Ministry of Agriculture, your scope as minister—quite frankly, to say that you have to rely on the House leaders to bring forward private members' bills, to suggest that farmers have to wait for the House leaders to bring forward a private member's bill—this is the first time that I'm getting a bit agitated.

Your role as the Minister of Agriculture—if something makes sense and if you can identify that something doesn't make sense, then you have the prerogative and you have the duty to change that. That answer is the first one that doesn't pass the smell test, Minister, with all due respect.

**Hon. Jeff Leal:** Mr. Vanthof, I appreciate your comments. I just wanted to first articulate the process within the House in terms of legislation being reviewed. I do know that the Ministry of the Environment and Climate Change has been actively meeting with the Certified Crop Advisors, the Ontario Federation of Agriculture and other stakeholders to further understand the industry's concerns and work to find solutions.

1710

**Mr. John Vanthof:** Thank you.

**Hon. Jeff Leal:** I just wanted to give you a two-stage answer.

**Mr. John Vanthof:** Okay. As you can see, I'm kind of touchy about private members' bills and House leaders.

I need to reinforce: This has to be dealt with, because in parts of the province—and perhaps more parts than I'm currently aware of, but a lot of parts—this doesn't work. Also, it puts into question whether or not the government believes in the current certification process of crop advisers. If you don't trust them with—what class is it, class 12?

**Dr. Deb Stark:** Yes.

**Mr. John Vanthof:** If you don't trust them with class 12, what about the other 11? Either you trust these people or you don't.

**Hon. Jeff Leal:** I just want to reiterate, Mr. Vanthof: I took the opportunity to sit down and have a good discussion with Ms. Thompson. She was very courteous towards me and I towards her with regard to her bill. I'll just repeat that the Ministry of the Environment and Climate Change has been actively meeting with the Certified Crop Advisers, the Ontario Federation of Agriculture and other stakeholders to further understand the industry's concerns and to work to find solutions.

**Mr. John Vanthof:** Thank you.

**Hon. Jeff Leal:** You're welcome.

**Mr. John Vanthof:** As I was listening to the conversation regarding international trade—I'll get to international trade perhaps at a later time.

In agriculture there have always been several focuses. We have the local food focus and the international trade focus and a bunch of divisions in between. I've discussed it with dairies before—the difference between small processing and large processing—but another hurdle that we're coming to is also with abattoirs. We've come to and perhaps passed the tipping point.

In areas like mine, we can no longer access local abattoirs in many cases. What's happening is not that the animals are no longer getting butchered; they're getting butchered without any rules at all. I'm not anti-regulation, but if you take over-regulation, what ends up happening is you end up driving things underground. An example is, if you've got a mom-and-pop abattoir that needs a his-and-hers washroom—is the Ministry of Agriculture looking at issues like this and how we can overcome issues like this?

An example is the Chicken Farmers of Ontario. They came out with a good program, the artisanal chicken program. But now they're looking for places where they can actually process these chickens in a regulated, safe manner. We've lost a lot of our abattoirs. People are now much more in tune with local food than they were, I would say, 10 years ago. To access local food—especially on the protein side, the animal side—it has to be locally processed, because once the animal goes 300 miles away to a—if you can find one, it's no longer really—I'm just wondering if the ministry is looking at those rules and seeing how we can once again promote regulated, smaller-scale processing facilities.

**Hon. Jeff Leal:** Mr. Vanthof, just in regard to the chicken industry, we've worked closely with the Chicken Farmers of Ontario and we've made significant progress in artisanal chicken, kosher chicken and, indeed, organic chicken.

With that, I'll turn it over to Deb Sikora, our assistant deputy minister for food safety and the environment division.

**Ms. Debra Sikora:** Thank you, Minister, and thank you for the question. Indeed, as you mentioned, our abattoirs are a very important part of the community and we work closely with both our producers and processors to ensure our food safety is an important part of all of our communities. We do a great amount of education and outreach to our small and medium-sized processors to support them in understanding the various rules.

We know that food safety has a number of pieces of oversight and we want to ensure that that is clear to our provincial processors. Obviously, those that produce food for within Ontario, that is under our oversight, so we do begin that education and outreach to ensure they're understanding all the processing side of things.

We use a risk-based approach to our inspection activity so that we're really balancing the food safety outcomes with the appropriate oversight within our plant facilities. We support our abattoirs through a food safety testing program so that we can help them as well as us understand what some of those risks are in the various processing sides of their facility and help educate them on where they can improve some of their production practices, sanitary processes—of that nature.

As you may be aware, the legislation does require that we have inspectors at all of our slaughter facilities. Their responsibility is in ensuring both the food safety outcomes and the animal health and welfare. We work a lot on scheduling with our small, medium and larger abattoirs to ensure that that capacity is there. We recently—just at the end of September—worked with those who are doing slaughter for religious purposes. We do a great amount of intense outreach for planning for that humane handling of animals and for the logistics that are required to make sure that animals are handled in a humane manner and that we have the food safety outcomes that are required.

If there are issues around humane treatment or food safety concerns, we do have the authority, through our inspectorate, to interrupt those processing activities to ensure that they are all being carried out appropriately. We have access to regional veterinarians who are available either on-site or through appropriate measures to advise our inspectors and to ensure that we get the proper outcomes.

**Hon. Jeff Leal:** And just to say, Mr. Vanthof, I try to stay in touch with the smaller operators. In my riding of Peterborough, we have Otonabee Meat Packers, owned by the Taylor family, and I visit that operation on a frequent basis.

**The Vice-Chair (Miss Monique Taylor):** One minute.

**Mr. John Vanthof:** Just in closing, why this issue is very pertinent to us at the moment is that we've had a large Mennonite community move into Matheson who want to do these types of things, and any help that we can give them to do things safely—that's very important. I

agree with everything you said regarding small abattoirs; I've got no problem. But local food is very important and local food is going to happen. We have to make sure that it happens in a regulated manner.

**The Vice-Chair (Miss Monique Taylor):** All done? Okay. We'll now move on to the government and MPP Dickson.

**Mr. Joe Dickson:** Thank you, Madam Chair. It's a pleasure to be able to converse with Minister Leal. There are two people I've called in the past year on more than one occasion, and on each of those occasions they've been standing in the middle of a farmer's field, so I know they've been working hard. One was Minister Leal, and the other was the environment and climate change minister, Glen Murray. I've always parked that, so I know you're on the job for sure.

I appreciate the opportunity you have to mention Peterborough, because I drive through there every weekend if my wife lets me go to the cottage. It's quite a large farming area. I know you're on top of everything there.

Part of my riding is a rural countryside riding. It's farm country. That's Pickering. I won't be able to say "Pickering" as many times as you can "Peterborough," but parts of Pickering are Pickering itself, which is in the city of Pickering; Pickering village, which is part of Ajax; and Pickering township, which is now part of the city of Pickering. There are a number of other farm communities that you would recognize—I know you're at many of them, Mr. Minister—Cherrywood, which is in Pickering; Claremont, which is in Pickering; Brougham, which is in Pickering; Green River, which is in Pickering; Locust Hill, which is in Pickering; and a number of farms no matter where you go in Pickering, which is just outside of cottage country. Pickering is a farming area.

1720

I want to just have you give us some input on our government's number one priority, which is obviously to create jobs and to grow the economy. You and I both have had many years in the private sector so we understand that.

In 2014-15, our government influenced some \$330 million of investment in the food processing sector, creating or retaining over 2,200 jobs. Food manufacturers continue to move into and expand in our province—certainly some in Ajax and a number of them in Pickering as well—and support local communities, thanks to the favourable conditions in our province and some pretty obvious strategic investment programs. I'm sure you and I want this trend to continue. I can tell by the way you go at things that it most definitely will continue.

That's why, last year, you launched the Food and Beverage Growth Fund dedicated to the growth of food processors and agriculture—this fund providing, of course, important funding for strategic investments that help create jobs and grow the sector. I'll have a phase 2 when you're finished, Minister. Could you tell us how the Food and Beverage Growth Fund has helped businesses in the food and beverage industry, providing us with some examples along the way, if you please, sir?

**Hon. Jeff Leal:** Well, Mr. Dickson, of course not only Pickering but all through Durham region is a really central area to Ontario's agriculture and agri-food processing sector. I just want to touch base for a moment. Nancy Rutherford, who is the agricultural development person for the region of Durham, actually grew up in Peterborough. Her maiden name was Allen, and her father, Bobby, was the wonderful reeve of Douro township for many years. So I know Nancy very well, and I know the great work that she does in Durham to promote agriculture.

More importantly, I really got introduced to Durham region when I was a small child. In those days, folks weren't going all over the world for little vacations. We would have our Sunday drive. Coming out of Peterborough, we would go into the Oshawa area and probably get some ice cream somewhere, but I always remember Windfields Farm in Oshawa, Ontario—the famous farm that was owned by the legendary E.P. Taylor and, of course, the home of Northern Dancer. I remember stopping with my parents on that Sunday drive to really admire Windfields Farm there in Oshawa and the great legacy of agriculture.

More importantly, of course, when you look at Ontario's agri-food processing sector, it alone contributes about \$12.1 billion to Ontario's GDP in 2015—a record high for that sector. In 2015, the food and beverage processors' exports also increased to \$9.2 billion, up 12.5% from 2014. Ontario's food processing is a major player in Canada and North America, and the value chain that it creates in Ontario is second to none.

We'll continue to support this sector through strategic initiatives.

I'd certainly get my ADM ready to chat further on your question.

**Mr. Randy Jackiw:** Thanks, Minister. On the Jobs and Prosperity Fund—that's the umbrella name for the entire business support; we work with MEDG on it as well—specific to that is \$40 million per year under a food and beverage growth stream specific to food processing. We work with companies. I won't be able to get into the details of many. There are three, I believe, that are public that I'll mention in a second. There's a very diligent process behind all of this that is focused on making sure that the companies are competitive in the long term, but there are metrics around how much the investment helps with productivity improvements. There's weighting to innovation and how this positions the company for the future. There's heavy weighting towards export. We also look at return on investment and incrementality.

We have invested over \$1 million into Super-Puff, for a total of \$9 million in investment. That helped them double the capacity of a particular canister crisp line; 90% of that was actually export.

There was \$5 million in P&H in the harbour in Hamilton to help leverage a \$40-million investment. This actually allows them to have 25% more grain. Actually, 10% of that is additional Ontario wheat through their

entire infrastructure in Ontario. This one was very strategic because this is actually a part of a value chain in the Hamilton area that will give on-demand specialty ingredient blends for the various bakeries there.

There was one more.

**Dr. Deb Stark:** Lassonde.

**Mr. Randy Jackiw:** Oh, yes. Thank you, Deputy. Lassonde beverages: There was \$1.5 million to help them with some new equipment to increase their capacity as well.

**Hon. Jeff Leal:** If I might just add: Randy gave you a really great, detailed synopsis of P&H Milling Group. This is the first greenfield mill to be built in the province of Ontario in 75 years, so it's really significant. We talk about logistics and transportation. There was a wonderful advantage to invest in that area, to really bring about a renewal of Hamilton harbour. Of course, you can ship from Hamilton harbour to anywhere in the world, so this was a really good opportunity to put Ontario in a better strategic position and also, secondly, to assist the city of Hamilton for our broad Hamilton harbour renewal, to meet the changing demands of exports for the whole world.

**Mr. Joe Dickson:** Thank you. Second to that, I just should mention—you were good enough to mention Windfields Farm and the famous horses that they had and the job they've done. That was, of course, E.P. Taylor. That's in Oshawa, which is close to Peterborough but a little closer to Pickering and Ajax. I have to tell you, they have just done a tremendous job up there. It is now Tribute Communities. Some of us from the Durham area know that they're an exceptional group of builders.

I go to a luncheon once a year—the regional chair, Roger Anderson, and Mr. Libfeld, the owner of Tribute Communities, have a luncheon for two or three specific major charities in Durham. They would have raised a quarter of a million dollars. And, of course, someone we know, Lucy Stocco, is the lady who runs the corporate side. It's quite unique, because at that same luncheon today they announced that the GM Centre, the house that Bobby Orr built and everything else, changed its name today. It is now called Tribute Communities. So it's what else they've done in the city, and that's the way people are in Durham.

Because you and I have been involved in business and private enterprise for so long, the first thing that comes to my mind overall is—it's kind of a phase 2 question—the highways, the road systems, proximity to the 400 highways. I know that you are, in the very near future, going to excel in that area. In the last couple of years there have just been tremendous improvements along Highway 115 to—I have to say that word—Peterborough. Now I notice, when I'm going up and down, just past Peterborough, double-decker GO Transit buses. They're bringing the workers down to GM. There's carpooling.

1730

There's a tremendous availability of labour force in the area that we're referencing, and that's why industry—

and little things like the Toronto telephone exchange. As long as we hook into that, corporations save untold thousands of dollars annually for things like that, and the list goes on.

I was just wondering if you could elaborate a little more, because there are so many good things happening there, not only for farming, but for business and the private sector.

**Hon. Jeff Leal:** Mr. Dickson, as you know, we live in this just-in-time world, where everything has to be delivered as quickly as possible. Of course, in June, you and I had the opportunity, along with Mr. Rinaldi, Mr. Anderson and Ms. MacCharles, to officiate at the opening of phase 1 of the 407 East project that runs from Brock Road in Pickering through to Harmony Road in Oshawa. As we speak, phase 2 of the 407 is being built from Harmony Road in Oshawa through to the 115/35.

We do know that one of the by-products of a particularly dry summer is that it was very conducive to active construction activity. Just the other day, I had the opportunity to take a look. The roadbed is already completed from Harmony Road through to 115/35. On 115/35, they're now building the interchange for the 407. They've moved the earth for the on-ramp and off-ramp, where it meets at the 115/35. If you go down Taunton Road, they're building the short stump of Highway 418, which is the eastern mirror of the 412 on the west side. It is being constructed. Right in your neighbourhood, Holt Road in the municipality of Clarington—they're getting ready to build the full extent, a full build of the 418.

Our government certainly believes that investing in infrastructure is really the platform of a successful private sector economy. You've got to have those investments in place, whether it's road, rail, water or waste water, in order to have a private sector economy thrive and meet its growth targets. Particularly in your area, we'll be allocating \$15 billion for infrastructure priorities outside the greater Toronto and Hamilton area.

We've made fundamental changes to the Ontario Community Infrastructure Fund, OCIF. That was a fund put in place for those communities in Ontario with 100,000 and under. We listened to the good folks at AMO. We listened to the good folks at ROMA. We made substantial changes to that so that that program, OCIF, was in a better position to meet their needs.

Like you, Mr. Dickson, I spent a considerable amount of time in municipal politics. You do know that one of the ways that we can assist municipalities is to put predictable funding in place, because municipalities in Ontario now have created their asset management plans. They've identified a whole series of infrastructure priorities. What they need is predictable funding so they can start to strike off those very projects that they have identified. We made changes to allow communities to piggy-back their formula-based funding so they can accumulate the formula-based funding to allocate it for a project that we'll say might be worth \$2 million.

Look, you don't have to take my word for how well OCIF works. I want to just quote my good friend Mr.

Smith, the distinguished member from Prince Edward-Hastings, who said recently, "In the five years I've been an MPP, the biggest issue from municipalities in my riding"—Prince Edward-Hastings—"has been the lack of predictable infrastructure funding from the upper levels of government." I'm happy to see this government is delivering to provide that predictable infrastructure in place to meet the demands for infrastructure in municipal communities. As I said, don't take my word for it; take that of a very reliable third party. In that case, it's, as I said, the very distinguished member from Prince Edward-Hastings.

**Mr. Joe Dickson:** My final question then, Chair, to Minister Leal: You and I have gone through decades of time at municipal councils and regional councils. The years of horror were the downloading years. This government has continued a process of uploading back to the municipalities, to give them back additional funding.

All of that occurs, but I would be remiss if I didn't mention that when we opened—and I remember, with you, opening one phase at \$1.1 billion and another phase at \$1.6 billion, and as you say, we are on the final leg. Always, there was full representation on anything we did like that, on an opening day, of our good friends and colleagues in the loyal opposition and the third party, who were there and very supportive through all of this time. I thank you for those answers, Minister.

**Hon. Jeff Leal:** Mr. Dickson, the reality was that, like you, I was on council in the late 1990s when the government of the day had the Who Does What committee. Particularly in eastern Ontario—and Mr. Crack knows this extremely well—43% of all the roads and bridges that were downloaded were downloaded in eastern Ontario. That was a huge infrastructure ditch that was created by that downloading. Remember, most of that infrastructure in eastern Ontario was developed and built right after the Second World War. You're looking at about a seven-year period, from 1945 to about 1952. That's when most of it was put into place.

So when I meet with the eastern Ontario mayors—many of them are good friends of mine, and I served with many of them—and when I meet with the eastern Ontario wardens—and I served with many of them too, and the current vice-chair is the warden of Peterborough country—we are making progress. More needs to be done—

**The Vice-Chair (Miss Monique Taylor):** One minute.

**Hon. Jeff Leal:** —but gradually, we're digging out of that ditch, because you and I both know that modern infrastructure is the key for a successful and dynamic private sector economy in the province of Ontario.

**Mr. Joe Dickson:** Truer words were never spoken. Thank you.

**The Vice-Chair (Miss Monique Taylor):** All done? Okay. Thank you.

We'll move on to the official opposition. MPP Barrett.

**Mr. Toby Barrett:** Research: I just wanted to get a bit of a thumbnail status report on research into agricultural

production, food production and issues around rural affairs. I think of the value of applied research, say, on the farm or in a processing plant in co-operation with the private sector.

I had an opportunity to visit the Emo Research Station just last summer. I get up there every so often, but I finally was able to get in there and have a tour. It was a real eye-opener, and it just indicated to me that, as over many decades up in that part of northwestern Ontario, that potential remains.

Again, with changes in genetics—and we see what's happening on the Prairies. In fact, I drove down from Winnipeg, and I saw a lot of soybeans and I saw a lot of corn. You don't really think of those crops on the Prairies. That could be a threat too, for the province of Ontario. We know what happened in the 1880s with wheat. A lot of fortunes were made in the province of Ontario, or, I guess, Upper Canada at the time, in wheat and in shipping wheat, especially around the time of the Crimean War. Then they figured out how to grow wheat out on the Prairies, and we lost that competitive advantage. I just wonder—thanks to research—but are we going to see something like that happen with some of our cash crop commodities that can be grown out on the Prairies?

I think it's so important—personal bias, maybe. I worked for a research organization for a couple of decades. I think of the Emo station, and I think of—I guess we would call it a research station—Slate River Valley, outside of Thunder Bay. It's just kind of a steel building.

**Hon. Jeff Leal:** Yes. I've toured that one.

**Mr. Toby Barrett:** I couldn't get in. The door was locked, and there wasn't anybody around.

**Hon. Jeff Leal:** Well, if you want to get in, I'll take you in sometime, Mr. Barrett. I'd love to.

**Mr. Toby Barrett:** Okay. Good. You can pay for the gas.

**Hon. Jeff Leal:** Oh, not a problem at all. And then we'll bring Mr. Vanthof with us too.

**Mr. Toby Barrett:** Okay. Let's do it.

**Mr. John Vanthof:** I'll pay for the gas.

1740

**Mr. Toby Barrett:** I've toured Vineland on two different occasions just in the past year. I'm quite heartened that there is a long-standing research campus, and in conjunction with the private sector building that greenhouse, things are looking very good at Vineland. I'm a little jealous. This is where the riding loyalties come in. I feel a lot more could be done with what we refer to as the "hort station" on Blueline Road, just outside of Simcoe, or the University of Guelph Simcoe Research Station—what we can do there with horticultural crops.

Thanks to the federal government, we lost our federal tobacco research station just outside of Delhi. I felt that was a loss. I know they were growing different varieties of wheat. They were bringing in wheat varieties from Ukraine and Russia to perhaps encourage farmers to go

back to the very tall wheat. You get a lot more straw and we need straw for ginseng, but we need straw to disk back in to capture carbon, as you would know.

I'd just like a status report on the research budget and the ever-important—again, my bias—University of Guelph OAC. That's world-class, what goes on there—not just the veterinary college, but also the agricultural college and the work that's been going on. I spent many years at Guelph. I was a slow learner, I guess, but I got a couple of degrees out of it. We really have something going there, and always have had, with the University of Guelph.

**Hon. Jeff Leal:** Mr. Barrett, if I could just respond from a bit of a historical perspective—you talked about wheat. One of the great varieties of wheat was developed in my riding by David Fife, Red Fife wheat, in the 1880s. It was developed. We talk about genetics today. He bred a number of varieties of wheat to create the Red Fife wheat, which was rust-resistant. To this day, David Fife wheat, because it is rust-resistant, is still grown in the province of Saskatchewan and it's one of the varieties that still is used extensively in Saskatchewan—Red Fife wheat or the 2016 derivative of Red Fife wheat.

You mentioned—before I turn it over to Christine Primeau—Vineland. During the tri-national conference on Friday, I had the real privilege to bring representatives from both Mexico and the United States to tour the Vineland research station. Jim Brandle, the guy who runs it, did an incredible job. When I saw the Americans and the Mexicans really appreciate what we're doing here in Ontario at Vineland research, it's a tribute to us all, because I've often said—you've heard me say it—that agriculture in Ontario is a non-partisan issue in that as your licence plate frame says, probably, and Mr. Vanthof's: "Eat today, feed a farmer." We're certainly all in this together.

Collectively, we can all take pride—all 107 members in this Legislature should take extreme pride—in what we're doing in Vineland research station, because it's state-of-the-art, second-to-none in the world, and I take great pride in what we're doing there. It goes back to a question I answered earlier. In 2050, with nine billion people in the world, it's going to be the activities at the Vineland research station which will allow Ontario to help meet that challenge.

I'll turn it over to Christine.

**Mr. Toby Barrett:** Maybe just in the transition—as I understand, over the last several years, the actual OMAFRA budget for research has been declining. Where are we picking up?

**Hon. Jeff Leal:** I'll turn it over to Christine—

**Mr. Toby Barrett:** What is the overall picture? I think Guelph-based research used to be something like \$50 million a year. I just wonder, where is it at now?

**Hon. Jeff Leal:** Christine?

**Ms. Christine Primeau:** In terms of our commitment to research, that commitment has stayed fairly static. I think in terms of the decline that you've seen this year, most of that has resulted in not a change in terms of the

commitment to research, but more around what happens behind the scenes in terms of the program delivery and the efficiencies that we can gain from the way we deliver our research programs. So that has been really the only decline that has existed.

Maybe I'll speak to overall research and what we're doing at the ministry in terms of our research priorities. OMAFRA is really committed to investing in agriculture, agri-food and rural research to support our core business and our priorities.

The ministry optimizes those investments by leveraging funds with industry as well as our agricultural stakeholders and the other levels of government. That support for research of interest to the province is undertaken through the OMAFRA-University of Guelph partnership, which we are committed to—we are in the eighth year of that, in fact—and the ministry's open research programs, as well as all of the programming under Growing Forward 2, our partner with the federal government.

OMAFRA's model for agri-food research and innovation continues to be cited by other jurisdictions as an excellent approach for priority-setting, encouraging collaboration and ensuring that research results are disseminated across all sectors. The ministry continues to look for ways to increase that research capacity and impact, through enhanced collaboration and partnerships with industry as well as the external organizations. We focus research priorities that align with our core business priorities.

Our investment in research and innovation through the OMAFRA-University of Guelph partnership focuses in seven key theme areas. They are agricultural and rural policy, bio-economy and industrial uses, emergency management, environmental sustainability, food for health, product development and enhancement through the value chain, as well as production systems, and animals and plants.

Some of the projects that have resulted through those partnerships have included energy-efficient LED light bulbs for use by the poultry industry, and that has resulted in reduced energy consumption while maintaining high-level productivity; opportunities for improved efficiency in water use in Ontario agriculture; and resources for immigrant entrepreneurs through Rural Entrepreneurs Advancing Prosperity.

Some of the projects that are supported through the ministry's open competitive research programs have addressed emerging issues in some of the shorter-term priorities. For example, through our food safety research program, which supports a science-based food safety system within Ontario, some of the projects have included the identification of food safety threats to agriculture and people from waterfowl; prevention and control of disease, such as pathogen control in fresh produce; the validation of dry-fermented sausage production processes; and alternative antibiotics for salmonella control in swine.

In the New Directions Research Program, those program funds support a profitable and sustainable agri-food

sector and strong rural communities. Initiatives have included opportunities that are associated with international trade agreements, climate change, and precision agriculture in crop production.

**Mr. Toby Barrett:** Okay. I'll change gears again. Partly related to environmental research, phosphorus loading in Lake Erie—we've been through this before. I'm concerned that agri-business in the province of Ontario or southwestern Ontario—if we don't have all the facts between our province and Ohio and Michigan, there may be some injustice here.

We know what happened in Toledo a couple of years ago. We know about the Miami river. Two winters ago, I was in Sidney, Ohio; it's on the Miami. That's very serious cash-crop country. Then, further up the Miami, in Indiana, it's cattle country. I just had a gut feeling this is where all the phosphorus was coming from. Now, this is where we need the research, the evidence-based data, to argue our case. I just hope that case is being argued.

There are staff here today who would recall what I consider a tremendous amount of work that was done a number of years ago to develop Ontario's nutrient management legislation. Some of that legislation became very, very broad. Gosh, I think we did three rounds of consultations across the province of Ontario: before the law; during the law, on the justice committee; and then consultations on the regulations. Then we backed off somewhat, maybe around 2002 or 2003.

I'd like to think our legislation is superior to what they have in Ohio. Perhaps Michigan may be more advanced—although Michigan is known for Detroit. If they can't get water to their people—I'm not sure what is happening with what's coming out the other end of those pipes. There's always that debate too, the agricultural versus municipal source of this kind of water pollution.

#### 1750

It is a real problem. I see it in my riding. Half my riding is underwater. I share a border with Pennsylvania and I see it along the shore of Haldimand county. I can see the green algae. From an agricultural point of view or a nutrient point of view, basically where are we at as far as the public concern around Lake Erie, primarily up the lake, like the western end?

**Hon. Jeff Leal:** First of all, Mr. Barrett, the government that you were a member of should be commended for the work that you did on the Nutrient Management Act. I think it was particularly good. You went out and did thorough consultation. As I said, you should be commended for the work that was done in the late 1990s into 2000 and 2001.

For some more details on the question that you posed, Mr. Barrett, I'll turn it over to Debra Sikora, the assistant deputy minister for the food safety and environment division in OMAFRA.

**Ms. Debra Sikora:** Thanks for the question. Maybe I'll just talk a little bit about the broader context. Of course, as you know, we partnered with the government of Canada to be a signatory to the Canada-Ontario Agreement on Great Lakes Water Quality and Ecosystem

Health. That was signed in 2014 with our partners at the Ministry of Natural Resources and Forestry and the Ministry of the Environment and Climate Change.

Of particular note, OMAFRA has a leadership role on what is called the nutrients annex. This is specifically working with other governments and agricultural organizations, conservation authorities, in particular in the western and central basins of Lake Erie. There are opportunities to model a good understanding of what the agricultural practices are doing there. We develop a best management practice to improve our soil health.

I'll just talk a little bit about the nutrients annex part and then talk specifically about our work on Lake Erie. What we want to understand is how those nutrients are moving, the fate of the nutrients and what their source and transport are. We know that agriculture has a role to play in understanding that better. The work that we're doing is backed up with some strong scientific capabilities amongst all of those partners. We are using evidence to understand better, through our best management practices, some of the on-the-ground research that my colleague Christine spoke to earlier. We get information back to understand the source and fate of those nutrients.

As you know, we've recently agreed to a 40% reduction in phosphorus loadings to the central and western basin of Lake Erie and the development of a draft domestic action plan by 2018.

**Mr. Toby Barrett:** That's an Ontario action plan?

**Ms. Debra Sikora:** Yes, there will be an action plan for Ontario. It is Canada-wide. There will be some specific actions identified there.

There was a recent posting earlier in the month that outlined a number of broad actions—agriculture being one of those components. I'll talk a little bit about a couple of those and others. The government looking at the Nutrient Management Act: As you noted, that is a very comprehensive act, and we'll be looking at opportunities within that act to consider ways of managing phosphorus movement through nutrients. The minister and deputy spoke earlier about our soil mapping initiative. That's helping us better understand what soils are in the province, where we may benefit from understanding those better and how they play a role in the fate and movement of those nutrients. We'll be looking at water runoff and water quality. Certainly, beyond agriculture, there are waste water infrastructure issues to be looking at.

We have a strong leadership partnership with industry and stakeholders at the minister, deputy and assistant deputy minister level. We've been working with them for close to a year now, and they are certainly taking a leadership role to understand better where they can contribute. This is across all commodities, our livestock, our grain farmers and our greenhouse operators. We're working with our ministries in all of those areas to understand both the technical aspects of phosphorus loadings and how we can contribute.

I should also mention strong linkages with our partners in the US and our border states to understand what it

is they're doing and seeing where we can leverage some opportunities with them as well.

**Mr. Toby Barrett:** And is part of that through any organizations—I don't know—International Joint Commission or Great Lakes water—

**Ms. Debra Sikora:** The Great Lakes cities initiative. We have multiple partners through our Canada-Ontario agreement, multiple levels of government, conservation authorities—

**Mr. Toby Barrett:** No, but I meant with Ohio or Michigan, for example.

**Ms. Debra Sikora:** Yes.

**Mr. Toby Barrett:** What's the formal linkage with them?

**Ms. Debra Sikora:** The International Joint Commission brings all those parties together so that we can share best practices, yes.

**The Vice-Chair (Miss Monique Taylor):** One minute.

**Mr. Toby Barrett:** One minute?

**Ms. Debra Sikora:** Sorry. I'm also a participant on the Canada-Ontario agreement executive committee, so there are partnerships in that area as well.

**Hon. Jeff Leal:** And just to add, Mr. Barrett: One of the component parts of the government of Canada's infrastructure program is a specific component for water and wastewater infrastructure renewal or new build.

**Mr. Toby Barrett:** Okay. Thank you.

**The Vice-Chair (Miss Monique Taylor):** We'll now move to the third party. MPP Vanthof, you'll have about three minutes before we adjourn. Okay?

**Mr. John Vanthof:** Okay. Just for a moment, I'd like to comment on the Nutrient Management Act. I was an active farmer during that consultation period. My, how things have changed because, then, consultations were actually held in wintertime when people weren't busy and people could fully work on it. We didn't all agree with the Nutrient Management Act at the time, but as opposed to the consultations that were held on neonicotinoids, it's a totally different atmosphere. It was much less combative, and I think we need to put that on the record—the same as the consultation which you put a hold on with the Ontario Processing Vegetable Growers.

You mentioned the Nutrient Management Act. I have nothing to do with either party, but I was a producer then and I was fully involved in northern Ontario with those consultations, and we felt heard. I think you could take some lessons that a lot of times now farmers don't feel heard, and that's why they end up going to court. I don't think it's a smart thing to take the government to court, but it's a move of desperation.

**Hon. Jeff Leal:** Duly noted.

**Mr. John Vanthof:** Thank you. And I don't think I have much time left, but I'm going to switch back to research. I understood that the budget for research is static; to me that equates as a cut, because if any of my household budget on something is static, due to inflation, that's a cut.

I'm going to go back to neonicotinoids again. Farmers use neonicotinoids because they're effective. Were they overused? That could be, but part of the problem is that the research to develop crop production products is left almost exclusively to the private sector. They are going to develop products that are efficient and also profitable. Often there should be public research to actually look at other ways to do it that aren't necessarily profitable for the people developing the product.

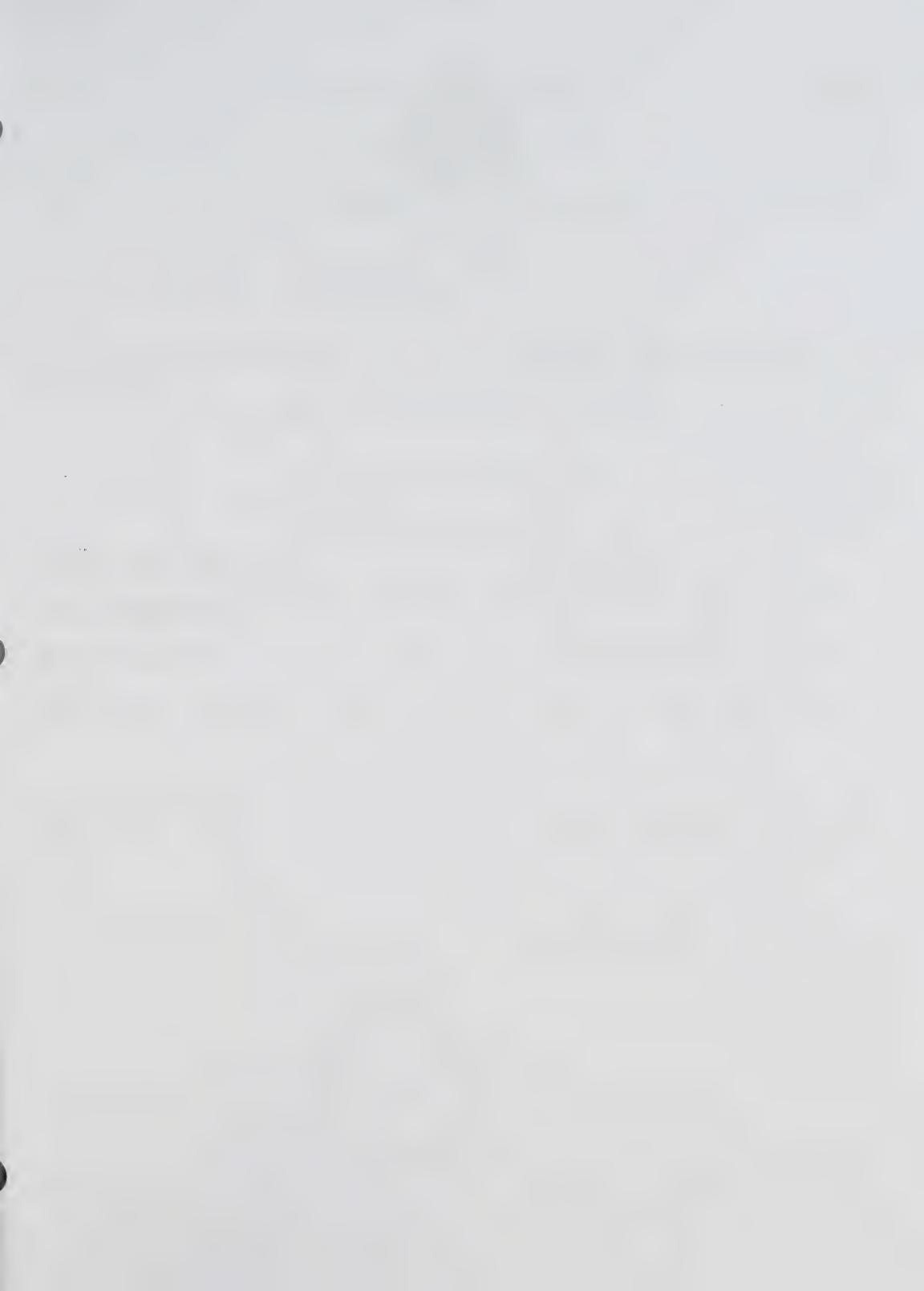
It's not rocket science. If you leave it all up to the people—I don't blame them, but we need more emphasis

on public research, and sometimes on failed public research, because if we leave it all to the private sector, we are not going to be left with options, and what agriculture needs is options.

**Hon. Jeff Leal:** Duly noted, sir. Duly noted.

**The Vice-Chair (Miss Monique Taylor):** Okay. Thank you very much. As it is now 6 o'clock, we will stand adjourned until tomorrow afternoon following routine proceedings. A reminder: The committee will be meeting in room 151 to continue considerations of estimates.

*The committee adjourned at 1800.*



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(Hansard)**

Wednesday 2 November 2016

**Journal  
des débats  
(Hansard)**

Mercredi 2 novembre 2016

**Standing Committee on  
Estimates**

Ministry of Agriculture,  
Food and Rural Affairs

**Comité permanent des  
budgets des dépenses**

Ministère de l'Agriculture,  
de l'Alimentation  
et des Affaires rurales



Chair: Cheri DiNovo  
Clerk: Eric Rennie

Présidente : Cheri DiNovo  
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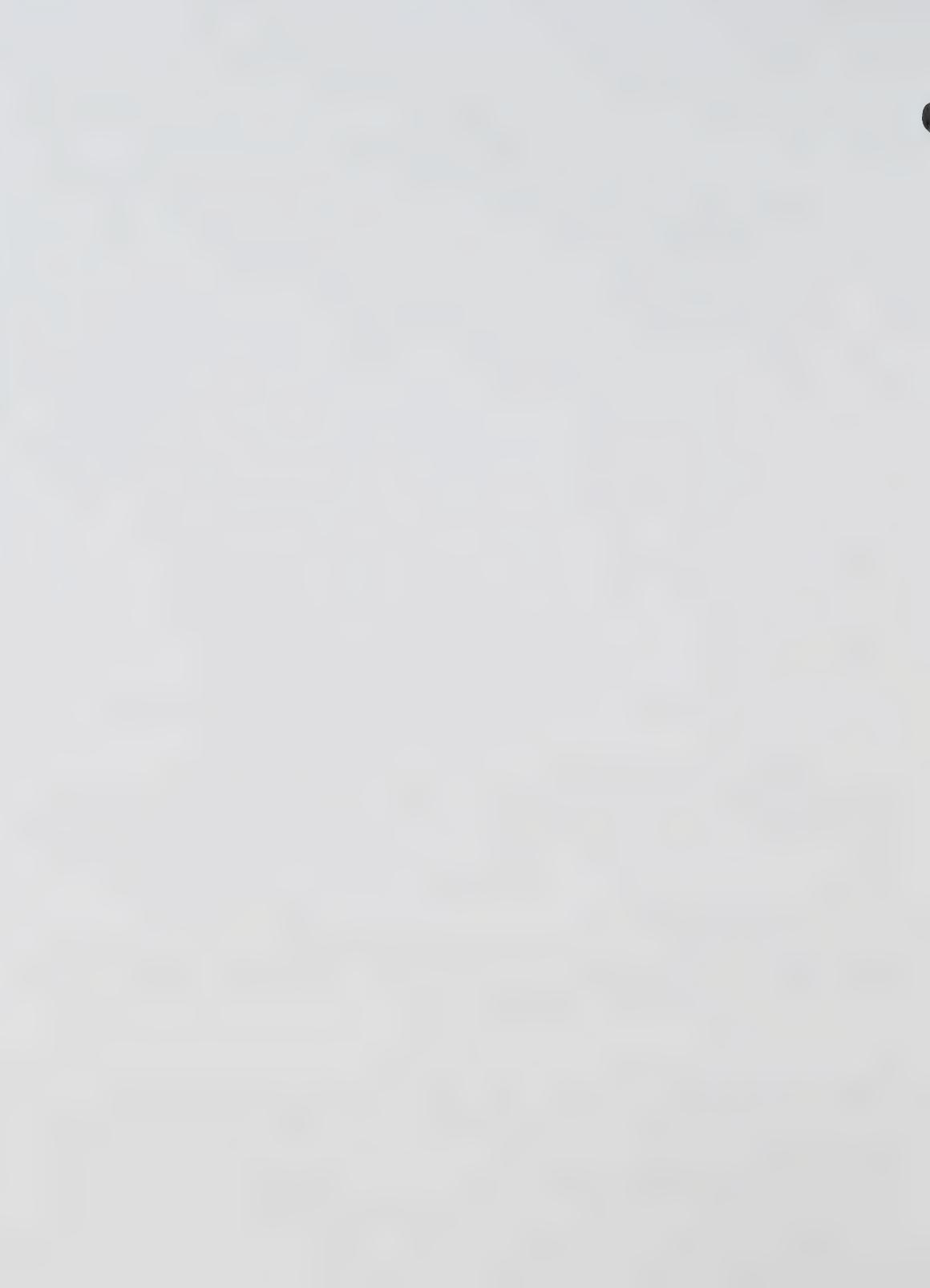


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## **CONTENTS**

Wednesday 2 November 2016

Ministry of Agriculture, Food and Rural Affairs.....	E-221
Hon. Jeff Leal	
Mr. Randy Jackiw	
Mr. Phil Malcolmson	
Mr. Brent Kennedy	
Dr. Deb Stark	
Ms. Christine Primeau	



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 2 November 2016

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 2 novembre 2016

*The committee met at 1601 in room 151.*MINISTRY OF AGRICULTURE,  
FOOD AND RURAL AFFAIRS

**The Chair (Ms. Cheri DiNovo):** Good afternoon. We are now going to resume consideration of vote 101 of the estimates of the Ministry of Agriculture, Food and Rural Affairs. There is a total of two hours and 12 minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from yesterday's meeting that the minister has responses to, perhaps the information can be distributed by the Clerk. Are there any items, Minister?

**Hon. Jeff Leal:** No, Madam Chair, but if you'd allow me a little latitude, my daughter, Shanae, is 17 years old today—a very bright young lady, a grade 12 student at St. Peter high school in Peterborough. I just wanted to get on the record to wish my daughter a happy birthday.

**The Chair (Ms. Cheri DiNovo):** Fair enough.

**Hon. Jeff Leal:** She's a great young lady.

**The Chair (Ms. Cheri DiNovo):** When the committee last adjourned, the third party had 17 minutes left in their round of questions. Mr. Vanthof, the floor is yours.

**Hon. Jeff Leal:** Don't worry, Mr. Vanthof, I only have a couple of Peterborough stories left. There were two left, so there's only one to go.

**Mr. Toby Barrett:** Point of order, Chair.

**The Chair (Ms. Cheri DiNovo):** Yes. Mr. Barrett.

**Mr. Toby Barrett:** My colleague Mr. Pettapiece is having a birthday on Saturday.

**Hon. Jeff Leal:** Very good. Congratulations.

**Mr. Randy Pettapiece:** And my colleague's here is tomorrow.

**Hon. Jeff Leal:** Congratulations.

*Interjections.*

**The Chair (Ms. Cheri DiNovo):** Okay. We're all good. We're all good now. Mr. Vanthof.

**Mr. John Vanthof:** Thank you—

**Hon. Jeff Leal:** Do you have a birthday, too? No, I'm just joking.

**Mr. John Vanthof:** I was going to say congratulations to you all, and I'm going to try to stay as far away from Peterborough as I can.

*Laughter.*

**Mr. John Vanthof:** It's a great place. I've been to the farmers' market. It's a great place.

**Hon. Jeff Leal:** I know you have. I know that for a fact.

**Mr. John Vanthof:** So far we've been focusing on the OMAF part, and now I'd like to focus a little bit on the rural affairs part and more in general—again, I'm going to focus on the north, but I think the same things happen throughout Ontario.

For any industry to be successful, people need services and they need roads. We had a long discussion previously about the 35/115, and I listened to that discussion. Northern Ontario is an example—and I looked at your mandate letter. There was a proposal for livestock in the Great Clay Belt.

In a place like the Great Clay Belt, where there is no train service and there is bus service three days a week, do you think, as the minister responsible for rural affairs, that that is actually going to support people who are used to a full suite of services? In your opinion, does bus service three days a week constitute a viable public service in that part of the province?

**Hon. Jeff Leal:** Thank you, Mr. Vanthof. With what I would say is a very ambitious infrastructure program of about \$30-plus billion, we have identified \$15 billion of that for investments outside the greater Toronto and Hamilton area. I think, in terms of your question, in many ways it would be much better handled by the Minister and Ministry of Transportation and the Ministry of Northern Development and Mines, with regard to some specifics. But, by and large, \$15 billion is a significant amount of money.

In terms of the rural development side, we have made substantial changes to the Ontario Community Infrastructure Fund. As I indicated, in one of my previous responsibilities, I spent 18 years in municipal politics. I recognize that infrastructure in a community like Peterborough is different than some of the demands for infrastructure in northern Ontario, but the premise is, at that municipal level, that you keep doing reinvestments. One of the reasons why we changed OCIF—we put a much more robust component of that in formula-based funding—was that we would allow our municipal partners to accumulate the allocation under the formula-based amount to add it up to do a bigger project. Often, when I've toured the north, one of the pressing needs is water/waste-water treatment capacity, and one of the ways we can achieve that is by having those municipalities piggyback and accumulate the formula-based

financing to fund those big projects. I'd ask Randy Jackiw to provide some additional information.

**Mr. Randy Jackiw:** Thanks, Minister. What I can do is—

**Dr. Deb Stark:** Introduce yourself.

**Mr. Randy Jackiw:** Oh, sorry. Randy Jackiw, assistant deputy minister of economic development.

I can give you a bit of a sense of where we do focus our resources and our time. As the minister said, a lot of the things that we work on do cut across multiple ministries, so a lot of what we do is bring that rural lens and perspective to both policy and the issues on the ground.

We do have 26 staff across the province in various offices that focus on rural specifically, working with the municipalities and the local businesses to understand their issues and to try to connect them with others and, in some cases, our own programs.

There are a couple that I would highlight that you might be familiar with: the Business Retention and Expansion, which is very popular, the whole process that we go through with the community to help them get a sense of where they need to focus their efforts; the Downtown Revitalization program; and the First Impressions Community Exchange program, where they actually bring in a fresh set of eyes to take a look at the situation and see if there's some other advice and some learnings that they can get from some other areas that are successful. Then we do our best to just make sure that we understand the issues and we're connecting them with the right people and tracking those issues.

**Mr. John Vanthof:** Thank you. I know my question probably isn't answerable but I think it has to be put on the record. You just mentioned, Minister, that your daughter just turned 17?

**Hon. Jeff Leal:** Seventeen.

**Mr. John Vanthof:** Seventeen, and I'm sure she's a bright young lady. We've already established—again, we're talking about advancing agriculture in a part of the province that has a lot of potential. We've already established that that part of the province, most of it, has no Internet. I've just established that a big part of that has bus service three days a week, and no other public transportation. I know my daughters really wouldn't want to move there, and neither would my wife—and I live in northern Ontario. That's the question that I want to get across.

When I heard, you know, the land is cheap—there's more than just cheap land to this, because I did a bit of research, and when the railroad was built, you know where they built the railroad? They built the railroad to access the Greater Clay Belt, and they told all of the farmers and the settlers that it was glory up there, and it failed miserably. The only thing that saved the railroad is they found silver in Cobalt as they were putting the line through, and that's actually what found the silver and the gold in northern Ontario.

1610

When you read the pamphlets, it's just about heaven up there—and there's a lot of potential, don't get me

wrong. But we are in a modern age. For anything to be successful and for the people who are currently in northern Ontario to reach their full potential, they need the services that most of the rest of the province takes for granted.

How do you seriously talk about any kind of program where broadband isn't accessible, where public transportation isn't accessible, where schools are closing? Again, there has to be—and I hope that there is—a more broad-based initiative than just saying, "Land is cheap. Go to it, boys." Because land has been cheap there—where I live, land has always been cheaper than in southern Ontario.

That ratio hasn't changed much. Down here, it's \$20,000, \$25,000, and where I live it's \$4,000. It used to be \$2,000 down here and \$200 where I live. That ratio isn't really that much different. But make this a serious effort. We need all the services that surround. To make this initiative reach its true potential, we need more services in northern Ontario.

**Hon. Jeff Leal:** Mr. Vanthof, philosophically, the way I kind of look at it, the public policy perspective—we talked about my daughter. We also have an 18-year-old son. I often say that in every community across Ontario, there is a Braden Leal who is 18 and there's a Shanae Leal who is 17. Collectively, it doesn't matter what side of the House you're on, whether you're in municipal politics, provincial politics or federal politics; I've always believed that our obligation is to make sure, to do everything possible so that the next generation can seek their destiny as close as they can to their own communities. It may not be possible all the time, but I fundamentally believe that that's a very important public policy goal.

By looking at things like our \$15-billion investment outside of the greater Toronto and Hamilton area, moving forward, you'd always ask questions about natural gas or broadband. It seems to me that those are the real building blocks of communities; it doesn't matter where you live, whether it's north, south, east or west. That, philosophically, is the way I look at things.

It's always interesting, talking about the north. I remember reading Peter C. Newman's book about John Diefenbaker, called *Renegade in Power*. One of the principles of his campaign platform both in 1957 and 1958 was his northern vision. It was the vision that he had. He was concerned that our trajectory was going to be constantly toward the United States, and he wanted to try to counterbalance that relationship. He talked extensively—and that's, what, 60 years ago, right?

I'll have Phil Malcolmson, my ADM, provide some additional commentary for you.

**Mr. Phil Malcolmson:** Mr. Vanthof—

**The Chair (Ms. Cheri DiNovo):** Could you introduce yourself, please?

**Mr. Phil Malcolmson:** Sorry. Phil Malcolmson, assistant deputy minister, policy division, OMAFRA.

When we started this process, on the first day, your last question related to our engagement process on agriculture, aquaculture and food processing in the north.

I was in the process of answering that when our time expired, but I think you're raising some similar points today.

I did share with you at that time the extent of our engagement. We got 163 individuals in the north to attend some sessions, and 43 written submissions. We're in the process of synthesizing those, but I wanted to give you at a high level some of the themes that are coming out, and to explain to you what we plan to do with the information that we got from people in northern Ontario.

At a high level, number one, we heard that research is very important, and research that is specific to the conditions of northern Ontario, which has been a subject of discussion at this estimates process.

Second, regional variation: We talk about the north, but as you would know more than most, it's an area that's very diverse. The attributes in different areas, both in terms of the condition and the economy, are quite different, and any response needs to be tailored. Also, as you said, the infrastructure and the amenities in the cities in the north are quite different from the other areas that are quite remote.

As it relates to the challenges, the challenge we heard was that distance to suppliers, services, processors and markets is an issue and will continue to be an issue. The high cost of transportation and energy is an issue and will be an issue. The lack of infrastructure—this is northern Ontario talking to us—in particular the Internet, is an issue with respect to economic development there.

Lastly, in terms of significant opportunities, land was actually mentioned as a net benefit, and the production potential is changing, as we discussed earlier in this process.

We have received this input, and we're synthesizing it. Those are the four themes. We will take this information back, and then we will develop for the minister an action plan with respect to our current supports, both our ministry and other ministries: what did we hear here; are there any gaps and what do we think about those gaps; and then, what are the opportunities to respond from a whole-of-government basis, both the ministry—and as the minister said, there are other ministries are actively engaged in northern Ontario.

That's the process going forward.

**The Chair (Ms. Cheri DiNovo):** Mr. Vanthof, you have just over three minutes left.

**Mr. John Vanthof:** Just for the record, I wouldn't disagree with any of those. I think why I'm talking about things like infrastructure, things like broadband, is because they're the things that are hampering agriculture that's on the ground now. The people who are there now could be much more productive if they all had access to these things. I think that's why I'm repeating this over and over and over: We have to get this on the record.

You brought up energy, and energy is a huge problem throughout rural Ontario, but specifically in northern Ontario, where gas and diesel tends to be 10 or 15 cents higher. I see it every week. Our land is cheaper, but our yields tend to be less per acre, and we need to cover more

acres. That is one disadvantage, one that we have railed against and fought against for a long time.

I think I would like to conclude—and it will probably start my second session, and it should be a common theme here, and I know it's not something your ministry can do much about by itself—with the price of electricity in rural Ontario. Specifically, if you look at the price in northern Ontario—it really hurts, in my part of the world, when I look at what the farmers pay in Quebec and what the farmers pay on our side. There's a reason why there is more processing in Quebec.

**Hon. Jeff Leal:** I'll duly note that, Mr. Vanthof. I think the Ministry of Energy was here for estimates a short time ago.

Just one other comment: Unless an individual in the Thunder Bay area gets the opportunity to be right in the middle of the Slate valley, to really appreciate that—it was marvellous, when I had the opportunity to be there.

**Mr. John Vanthof:** It's a beautiful spot.

**Hon. Jeff Leal:** It's like the Little Clay Belt. Until you're there, you don't really appreciate what it has to offer.

**Mr. John Vanthof:** It's not quite Peterborough, but it's a beautiful spot.

**Hon. Jeff Leal:** It's amazing, though. It truly is amazing.

**Mr. John Vanthof:** One thing you brought up that came out in the consultation—and it's true—is that northern Ontario is vast and completely different. I live around Earlton. I represented the Dairy Farmers of Ontario, and I travelled throughout northern Ontario and I learned so much. If you live in one part of the north—I think that goes for all of rural Ontario. If you live in one part of the north, you think you cover one part of rural Ontario and you think you kind of understand rural Ontario.

**Hon. Jeff Leal:** No.

**Mr. John Vanthof:** That difference is even more marked in northern Ontario, because Thunder Bay is totally different than Earlton, and Dryden is different than both of them.

**Hon. Jeff Leal:** Absolutely. Totally.

**Mr. John Vanthof:** Thank you.

**The Chair (Ms. Cheri DiNovo):** We move to the government side. Mr. Crack?

**Mr. Grant Crack:** Thank you very much, Madam Chair. I appreciate it. Welcome back, Minister and deputies.

Minister, I know you talked a bit yesterday, and today as well, about infrastructure, but I have to tell you, as a former mayor—I know you're a former councillor—how important the partnership with the federal government and the provincial government is to local municipal councils.

I know—again, as a former mayor for 11 years prior to having the privilege of serving the residents of Glengarry-Prescott-Russell here at Queen's Park and in the riding—that a lot of mayors judge their success on

how much funding they can obtain from the provincial government.

1620

I recall—I think it was 2008. The government of the day provided block funding to all of the municipalities. I have to tell you that was well received, because who better, as you all know, than your local municipal leaders to know what the priorities are of their individual communities and how they believe the investments that are required would increase the economic development component and grow their local economies? They do that.

So I was very pleased—and I know you and I have had some discussions over the last number of years—when the OCIF's funding formula was increased. I recall you answering a question in the House about some of all those municipalities that have received, and are receiving over the next three years, some substantial increases, which allows them to do some of the projects and allows them to finance them when they wouldn't be successful in the other funding programs, where it's basically a competition. When I look at those competitions, I say to myself—and I hear it a lot in my riding—how sometimes it's unfair that some well-managed municipalities, financially, are never successful because other municipalities that perhaps hadn't been so fiscally responsible move up the ladder. So I wanted to thank you for advocating for the increase in the OCIF and, at the same time, talk about the normal process that is the application-based process.

I can tell you, the great little village of Casselman, which is just east of Ottawa by half an hour, is growing exponentially. They just received \$2 million to expand their waste water and water system. I had the good fortune of going to the groundbreaking ceremony of a 600-plus home development in that community. So this community is going to grow from 3,000 to probably 5,000 in the next three to five years. The same in Limoges, where the Premier was just down and visited. We recognize the health needs that are required in that community. We partnered with the community health centre there. Limoges was down around 2,000 people six or seven years ago; they're up at 6,000, and they're continuing to grow.

I want to thank you, again, and the government for recognizing the importance of rural Ontario, because rural Ontario, with all due respect, is agriculture, but in rural Ontario you also have a lot of urban areas that people forget about when they talk about rural Ontario. I don't see an urban-rural divide in my community. We all respect what each component and the diversity of the different regions bring to the development and growth of the area.

I mentioned Casselman. Our good friend Gary Barton that you talked about yesterday, as mayor of his municipality, received \$2.99 million to expand their sewer and water systems there. Mayor Barton is thrilled. They're going to be busy for the next number of years, so we're pretty happy about that.

I just wanted to bring that out. If there's anything new you'd like to talk about or if you had any figures about

some of the municipalities that are increasing—that you wanted to put on the record—over the next three years under the OCIF, feel free. The floor is yours, sir.

**Hon. Jeff Leal:** Thanks very much, Mr. Crack. I appreciate the question. I'm very familiar with infrastructure, particularly in eastern Ontario. When you look at the history of this province, the bulk of the infrastructure in Ontario, and to some degree particularly in eastern Ontario—a lot of it was put in place right after the Second World War. There was a commitment at the federal level: Prime Ministers King and St-Laurent. Here in Ontario, it was Premier Drew, Premier Kennedy and Premier Frost. Just as an aside, of course, the former member from Milton, Mr. Chudleigh—his grandfather was Tom Kennedy, who was the interim Premier between Premiers Drew and Frost, and of course he was the long-time ag minister, representing the riding of Peel. In 1959, Tom Kennedy was succeeded by one William Grenville Davis. So we know the history there.

Most of the different structures we come to look at are probably 65 to 70 years old. It was put in place because, as we're celebrating in the next week, there were a million people that came back from the Second World War—a million people in uniform. It was incumbent upon governments of the day—municipal, provincial and federal—to look at ways to redeploy these heroes that came back from various theatres around the world. One of the ways they did it is that they heavily invested in infrastructure, because we do know that when you make the investment in infrastructure, it creates that fundamental platform for a dynamic private sector economy. Ontario prospered post the Second World War—heavy investment in infrastructure that continues for a long period of time.

We're now getting to a stage again where a lot of that infrastructure needs to be either renewed significantly or completely replaced. The fact of the matter is—this is a fact—in eastern Ontario particularly, in the late 1990s, 43% of all the roads and bridges were downloaded. Because the bulk of that is now getting to a point in time where it's 65 to 70 years old, it fundamentally needs to be renewed or replaced. That is often a pretty expensive proposition. Also over that period of time—and rightfully so—successive governments in the province of Ontario of all political stripes strengthened many of our environmental regulations to make sure that waste water and clean water were an absolute priority to provide to our communities.

You well know, Mr. Crack—you served in municipal politics. You know that as we've brought in new regulations into our water and waste water treatment plants, we had to add in tertiary treatment to make sure that that discharge that was going back into other broader bodies of water was as pristine as possible. As technology advanced in that area, it meant that we had to renew water and waste water treatment plants.

That was a message that was certainly brought home to me. We put the first program, the Ontario Community Infrastructure Fund, in place. It operated for a period of

time—a \$50-million application, a \$50-million formula—and we came to a conclusion, in conversation with our municipal leaders, whether it was at AMO or at ROMA, that we had to make some changes, just because of the changing circumstances, in order to make sure that we allowed for—you talked about Casselman or Vankleek Hill—to make sure that as they got the opportunity for a prospective subdivision development or other business development, they had that waste water treatment plant or other infrastructure in place to accommodate that kind of growth.

Infrastructure is not a partisan issue. It's just something that we need to do. We worked with previous federal governments, whether it was Monsieurs Chrétien, Martin, Harper and now Mr. Trudeau, to look at those kinds of partnerships so that, together with our municipal partners, we can make that happen.

I understand that yesterday, federal Finance Minister Mr. Morneau in his fall economic statement talked about creating a new infrastructure bank for Canada. We don't know the precise details of that, but this may be one of these opportunities where the 10 provinces and three territories might participate in that national infrastructure bank to some degree. That will be determined down the road.

I think it's important that we made some changes. We upped the formula amount. We upped the application amount. For those communities to bring up—and fairness is important. Fairness is important for me as an individual. Fairness is important in how we treat our municipal partners. For those communities that were successful on the application side in one of the intakes, they would be prohibited from the next intake, to give other municipalities an opportunity to get access to those funds, which I think, as I said, is a fundamental principle of fairness.

I'll have Mr. Kennedy comment further.

1630

**Mr. Brent Kennedy:** Brent Kennedy, director of the rural programs within the Ontario Ministry of Agriculture, Food and Rural Affairs.

Thank you for the question. The minister is very, very familiar with this subject area and has covered a lot of it. I'll fill in a few of the other points that come to my mind when I think about this subject and that you raised in your question.

One was on priorities. I don't want it lost on people, but asset management plans became a real foundation of infrastructure programs. I think that we can all agree that municipalities have responsibility for the stewardship of the infrastructure that they own, and the development of a sound asset management plan really allows them to get out of the game of "What grant's coming next?" and get more focused on what the priorities truly are within each of their areas.

Those plans allow them to clearly set those priorities and start thinking about how they can address them over a longer term. Some of these aren't short-term; there are long-term renewal aspects. Having the OCIF program rule to allow bankable funding up to five years allows them to think longer term.

Back in 2012, in the Municipal Infrastructure Strategy, the province required infrastructure funding to show how they fit within a comprehensive asset management plan. To help that, the province invested in plans quite heavily, developed an online asset management tool and put \$12 million into funding in both 2012 and 2013 to help them develop their asset management plans.

It's interesting to note that today, more than 95% of Ontario municipalities have made that vital investment and developed asset management plans, compared to less than 40% back in 2012.

The programs are built on priorities and support through a strong asset management plan. With regard to the program itself, I can tell you that since 2014, 425 communities have already received \$100 million through the formula for about 1,300 projects. They have to provide us with an update on what those projects are so that they meet the needs and qualifications for the program.

The going-forward on some of the additional things: Not only did we change the way we went from application to a top-up, to ensure that people would receive an opportunity to access \$2 million over two years of funding—so, compared against their formula funding, it brings them up to that \$2-million mark—but we've actually also streamlined the approach. It's no longer an EOI, then resubmit and go forward; it's a one-stage process. It's still a merit assessment process, but it talks about project affordability and looks at the actual area to see that it's the right kind of project they can fit within their asset management plans, and their ability to manage those projects on a go-forward basis.

I think that answered that. Thank you.

**Hon. Jeff Leal:** Just to respond to Mr. Crack, we did, as Mr. Kennedy said, try to make it easier, because some municipalities have been—when you look at the city of Peterborough, we're fortunate. We have in-house people. We have planning staff and we have engineering staff internally who can handle these applications. But as you well know and as colleagues over here well know, smaller municipalities often have to engage outside engineering consulting services that are not cheap at all. We wanted, as Mr. Kennedy stated, to streamline the process to make sure that they get their applications in an easier fashion. It was certainly paramount to us.

Just for the record here, Clarence-Rockland is getting more than \$1 million here under OCIF, and Hawkesbury, \$1.35 million. That's pretty significant under formula financing for those areas.

**Mr. Grant Crack:** Thank you, Minister—

**Hon. Jeff Leal:** I know you'll put it to good use.

**Mr. Grant Crack:** Oh, yes. They're quite pleased about that.

I just want to elaborate, perhaps, on infrastructure. When we talk about infrastructure in rural Ontario, we should be looking forward to electrical infrastructure as well. I know that Hydro One is a separate entity. However, there are two large industries in my riding that are asking for help in order to have the supply required so that they can continue to grow. Fromagerie St-Albert is

one of them and Skotidakis is the other. I know that there are numerous circumstances across Ontario where businesses are confined from expansion because it's cost-prohibitive. It's a couple of million dollars in each case. They're always asking me for help, and rightfully so.

But as we move forward, if there could be some kind of consideration. If we're going to do it for natural gas, as we've committed, then, in the future, we can also include that type of thing, that type of aspect, into our programming.

**Hon. Jeff Leal:** Yes, duly noted, Mr. Crack. Duly noted.

**Mr. Grant Crack:** Thank you. I know my colleagues want to speak, but I'm having too much fun, Minister. I referred back to municipalities that actually are not as financially well managed as others, perhaps. I know that they're all well managed, but some are actually really adept at their financial management, and they've set their rates and they've set their tax rates accordingly.

**The Chair (Ms. Cheri DiNovo):** Mr. Crack, you have just over three minutes.

**Mr. Grant Crack:** Thank you.

I'm aware of certain municipalities, perhaps on water or sewer rates, that don't increase them year after year after year, which they should. Then, at the end of the day, they've also neglected, perhaps, to provide the capital dollars required to improve their infrastructure. So another component I'm looking at is that we need to continue to look forward so that we're not penalizing the well-managed municipalities and rewarding those that are just trying to win re-election by not doing the right thing.

Part of being successful would be—which I think is already in there—do you have proper rates? What is your plan? Are you going to do this every year? And then we partner with them. Because it can't all be just the federal government and the provincial government. There has to be a component of fairness when it comes to tax rates and water and sewer rates in our municipalities.

**Hon. Jeff Leal:** Mr. Crack, you raise a good point. That's one of the things that we addressed through making the changes to OCIF. You're absolutely right. When I was on city council in Peterborough, I was part of a council that imposed a sewer surcharge on our flat water rate. The reason we did that is that we were developing a reserve to keep expanding the water/waste-water treatment plant in Peterborough to accommodate subdivisions. It was never popular, and I remember, as you did, that I'd be at those all-candidates meetings when I was seeking re-election as a city councillor, and I would have opponents stand up and say, "You know, it's got to be zero, zero and zero."

Well, we do know that that's not the practical thing to do. You've got to make sure that you plan for the future and doing those kinds of things. It's never easy to impose things like a sewer surcharge, but it is the responsible thing to do, and I've always been convinced in public life that when you do the responsible thing, you'll get rewarded. I went through seven campaigns as a city

councillor. That's the right thing to do when it came to that aspect.

But you're right. As we went through these changes, I heard from municipalities that were solid financial stewards, and we wanted to make sure that that was recognized as we were going forward.

**Mr. Grant Crack:** How many minutes? That's about it, eh?

**The Chair (Ms. Cheri DiNovo):** Thirty seconds.

**Mr. Grant Crack:** No, that's fine. Sorry, Daiene.

**The Chair (Ms. Cheri DiNovo):** We now move to the third party: Mr. Vanthof.

**Mr. John Vanthof:** The last conversation led me to a different direction that I'd like to go into, with OCIF. I agree that formula funding is much better. As a councillor in a very small municipality for 12 years and now in my current role, the request for the Hail Mary pass just drives me crazy. And in many cases, that's what it is.

There are times when—and I'll give you an example in our township. We have an asset management plan, but we had a slide and we lost a road from a slide. That's something that you can't have in your asset—so there are cases when you need special funding. But overall, I think if municipalities knew exactly what they were going to get and they could manage with that, they would do, on average, a better job of managing. I think I would agree with that.

You brought up that—and I believe it was under the Harris government—a lot of infrastructure was downloaded to municipalities. I'm going to bring up an issue—and again, these issues go across the province, but you know what's closer to home. You talk about what's closer to home.

1640

The town of Iroquois Falls has the distinction of having the most kilometres of road per person in the province. When the roads were downloaded, they had 5,500 people, I believe, and now they're at 4,000 and change. In some parts of the province the population is growing exponentially, but in other parts of the province—not all of my riding is shrinking, but some of the parts of northern Ontario, as you are well aware, are shrinking. They've got a big problem, and they're not the only ones.

In municipalities like that, they are having to close roads and close bridges, bridges that maybe don't make sense for the municipality to keep open, but to increase agriculture, it does make sense. Why does it make sense specifically for this municipality? Not only is farming different for every type, but different types of people farm, and we have had a large influx of Mennonites who use horse and carriage to go to town.

This group does use tractors and electricity, but they use horse and carriage to go to town. They have added a whole different cultural aspect to our community. They've added a lot. But they are forced, because this bridge is closed, to go onto Highway 11, which is the TransCanada Highway, to get to Iroquois Falls.

It's a case where, does it make sense to the community to fix this bridge? Maybe not. Does it make sense overall

for agriculture to fix this bridge? Maybe it does. I think those are the kinds of one-offs and issues—I'm sure there are many more across the province. I just wonder: What is the process for looking at issues like that, and is there currently a process to look at issues like that?

**Hon. Jeff Leal:** Mr. Vanthof, I'll have Mr. Kennedy respond.

**Mr. Brent Kennedy:** Actually, I've had some experience in this in the Chatham-Kent area, where there were, again, a significant number of roads, bridges and crossings and whatnot. It's forced communities and government to get more creative in how they approach the situation.

In the past, it was "rip out the bridge and start from scratch; rebuild again." One of the areas they're starting to look at more and more is, how do you stretch the dollars that you have for infrastructure that much further? It's about building bridges for the right purpose. It's about looking at new and different ways of getting bridges in quick, of extending the life of the bridge, and I think to a large extent, that's the challenge.

It's a huge gap on the infrastructure side, and communities and government have to work together and are working together to look at whether there are slightly different approaches to doing that. They're also looking, in some situations, at whether or not certain things are strictly agriculture—you don't need that bridge that was there before, and it's a low-flow crossing. The timing is right for that. It's to get the crops off. Those are decisions that have to be made.

So it's not the total answer, but it's part of the equation. I think you're seeing that embraced more and more as we go forward.

**Hon. Jeff Leal:** Mr. Vanthof, I also think there's more of an acceptance down in Ontario in the engineering community to use prefab bridges that you can actually build and just drop in, as compared to the more conventional construction that we're familiar with.

**Mr. John Vanthof:** The issue I was getting at more—and I agree; I don't disagree with anything that's been said—is, is there a type of process where an issue like this could be identified? Because in this case, it doesn't make financial sense for the municipality to do it. And it's a Mennonite community, so we're not looking at John Deere 9710 combines going over this thing. But when they go to the farmers' market and they have to go on Highway 11—I don't know if you've been on Highway 11 in the wintertime, but it's not a place for horse and carriage.

We want to increase their ability to prosper because they bring prosperity to us all. I just wonder if there is a process where those things get looked at.

**Hon. Jeff Leal:** Mr. Vanthof, it's duly noted. The Minister of Infrastructure, Mr. Chiarelli—we'll take that back to him.

**Mr. John Vanthof:** Another issue that's facing agricultural communities—I believe this is all over, but in Evanturel township, where I was a councillor, farms used to be 160 acres, and now most farms are thousands of

acres. What ends up happening is that the buildings are torn down. We have beautiful flat land, and eventually we have thousands of acres of beautiful flat land, but on one side of the highway there are no buildings.

The municipalities have to provide basically the same services, because the roads still have to be there to service those farms, but their tax base is going down. We've heard that farmers are concerned about the MPAC assessments, and land is going up. But on the flip side, municipalities are running into troubles with not being able to—the people who are left in rural areas can't shoulder the whole burden. I wondered if your ministry is looking at that.

**Hon. Jeff Leal:** I'll have Mr. Kennedy—or maybe my deputy, Deb Stark.

**Dr. Deb Stark:** Deb Stark, deputy minister, Ontario Ministry of Agriculture, Food and Rural Affairs.

I would just remind you that there is a northern Ontario growth plan which identifies all of the potential issues. There are, I believe, 10 different streams; agriculture is one of them. I think Phil has just talked about the consultation and some of the things we've heard.

As you say, it's not unique to the north at all—

**Mr. John Vanthof:** No, it's throughout the province.

**Dr. Deb Stark:** It really is, and I think it's a challenge. I think it speaks to the message that both of you talked about in terms of the infrastructure and the need for asset management planning, having really long forecasts on where your population is going and having hard conversations about where your tax things are.

I really can't speak too much about this, because this is really the Ministry of Municipal Affairs that would have that relationship with municipalities, but I know they are very aware of this issue. Certainly we hear about them as they try to make sure that municipal governments understand the ability they have to raise sources of funding and have those kinds of plans in place and have those conversations. It is absolutely not a simple situation; that's for sure.

**Mr. John Vanthof:** We touched on it briefly, I said, yesterday: land classification. Now that you're redoing or updating the soil maps, will land in northern Ontario be classified?

**Dr. Deb Stark:** That would be the long-term goal. How far we can go how quickly—

**Mr. John Vanthof:** Because I'd like to put it on the record again—I've been corrected a couple of times by the member, Lou Rinaldi.

**Mr. Lou Rinaldi:** Did I correct you?

**Mr. John Vanthof:** But he wasn't right. Land in northern Ontario is not classified.

**Hon. Jeff Leal:** But we are doing—part of the start of our mapping, we're actually up in your area. So we're doing it for you, sir.

**Mr. John Vanthof:** I appreciate that, and not just for the fact that we don't want solar farms built on what we consider class 1 land, but for a lot of issues.

**Hon. Jeff Leal:** Yes. It will become, I believe, from my perspective and from people that I've chatted with,

the planning tool, because it will help municipalities as they develop their official plans. They do it on a five-year cycle. In order for them to do a good job on their official plans, they need that soil map tool to have appropriate and current official plans.

**Dr. Deb Stark:** I think, if I might add, you're going to see a continued interest in understanding more about the land base. The soil for agriculture is definitely one reason.

The other one is climate change. As we move more and more to having a price on carbon and being able to drive different behaviour depending on whether or not you're putting carbon into the environment or taking it out of it—we recognize that soil has the ability to sequester. Certainly the agricultural community is very interested in being able to get credit for that, and we are working with them to develop protocols.

Primary agriculture is not actually in the cap-and-trade program at this point in time—agriculture is generally exempt from that—but being able to get credit with offset protocols is something that the federation of agriculture is very interested in and we're very interested in. Part of that, again, is really understanding what's in that land and what's happening. I think there are a number of drivers that mean that Ontario's ability to really understand the quality of its soil, especially on the agriculture side, is only going to increase.

1650

**Mr. John Vanthof:** Is the ministry actively involved in research to look at carbon credits and how it would impact agriculture?

**Dr. Deb Stark:** I'll ask Phil to come up and give you more details, but certainly we are one of the ministries that has been working on and contributing to the climate change action plan that the government released, seeing that there is, as I say, a role for agriculture as we tackle climate change. We have some projects that we're working with to help them move to a lower carbon environment. We certainly do have research plans to understand better about the whole carbon cycle and where agriculture can fit in.

Maybe I'll ask Phil Malcolmson to give us a few more details about that.

**Mr. Phil Malcolmson:** Thank you, Deputy. Phil Malcolmson, assistant deputy minister of policy division, OMAFRA.

As it relates to climate change, I'll back up a little bit, but I will certainly get to your question. As folks know, there are a number of different components to the government's strategy on climate change. Certainly there are targets that have been established.

Secondly, Ontario, like Quebec and California, has moved to a cap-and-trade regulatory system for carbon.

Third, through the proceeds of auction, the government has indicated that it's going to make money available for climate-change-related projects.

As the deputy said, farms and farmers, in and of themselves, will not be regulated under the cap-and-trade system. They don't meet the emissions threshold, which

is 25,000 metric tonnes per year to be regulated. But, depending on the proceeds that are available from the auctions under cap-and-trade, there will be money available for projects.

Some projects that the government has indicated it is interested in are, on the soil side, that \$30 million would be made available. The minister has indicated a strong interest, and indicated it at this table, our early investments in mapping. We see mapping as being a component of the money that the ministry receives under the proceeds to continue the good work that has been done there, because there is much to be done and it's a multi-year process. So this demonstrates a long-term commitment.

Other projects being contemplated, depending on the amount of funding available and depending on when it becomes available, are opportunities for energy efficiency, both for food processing and for covered agriculture in particular, which is a high-energy user, such as the greenhouse industry and the dairy barns.

There is a potential opportunity for farmers, because we know that soil sequesters carbon. The government has committed to the development of protocols. If you were to look at Quebec and California, there are protocols that are developed with respect to carbon sequestration. Not all of them relate to agriculture, but some of them relate specifically to agriculture.

The Ministry of the Environment and Climate Change has just very recently let out—through an RFP process, it found a consultant who would be developing those protocols based on methodology. So we would first go to the state of the science internationally. We would look to other jurisdictions that have similar protocols. We've mentioned California. The deputy and I actually visited the state of California and met with the secretary of agriculture of the state of California in the spring to better understand their system.

But, most importantly, we would take advantage of the local science here in Ontario, because soil conditions, as we've talked about, in Ontario are quite variable, and certainly across jurisdictions. The Ministry of the Environment has proactively reached out to us and asked for the names of our own extension staff, some leading researchers who are familiar with Ontario's conditions at the University of Guelph and other institutions, and folks who are in industry. Based on that, we will be developing protocols.

I'll just list a couple of the areas that are of primary interest: Nitrous oxide emission reductions from fertilizer management will be one; emission reductions from livestock, associated with management of manure and enteric fermentation of livestock operations; conservation cropping; grasslands; and organic waste digestion. So there is lots of work to be done. It's very early days, but there are some opportunities.

These would be protocols that would apply under the regulated system. I know you would be aware of Mr. Don McCabe, the president of the OFA. He is very, very interested and a big advocate of these protocols.

In addition to the ones that would be under the regulated system, one of the things I've spoken to Mr. McCabe about—and he's presented to the minister and I know he's talked to the Minister of the Environment and Climate Change—is, under a voluntary system, is there an opportunity for other potential protocols that maybe have a less rigorous test? One of the tests under these protocols is that the sequestration needs to be permanent, because we have a long-term, permanent goal. Under a voluntary system, there may be an opportunity for less restrictive rules that are beneficial to companies that want to, for their own purposes, have opportunity or access to offsets, but offer a much broader range available to Ontario farmers.

**The Chair (Ms. Cheri DiNovo):** Mr. Vanthof, you have just over three minutes.

**Mr. John Vanthof:** Thank you. One other thing I had a question on, kind of along the same lines. In our discussion about natural gas, we were discussing how not only can gas come to the farm, but gas can be produced on the farm. Would that be one of the ways we could help with—and it would be methane, but we would reduce greenhouse gases by doing that.

**Mr. Phil Malcolmson:** That's an excellent question. Earlier at this table, we talked about gas and the government's loan and grant programs and where that is at. Everybody understands the economic development importance of having access to natural gas.

From a climate change perspective and reducing the amount of carbon emitted into the environment, all fossil fuels have the opportunity to emit into the environment. Natural gas, provided that it's substituting for another fuel source that is a higher emitter, has a net benefit. But in the long term, anything that emits a significant amount of carbon—if we take a multi-decade view of this, we need to start to move toward a carbon-neutral economy. I think when we start looking out many decades, we need to drive certain fossil fuels out; where there is an opportunity to improve that, we'll do that.

**Mr. John Vanthof:** I believe we have an agreement that we could cede the rest of our time for the next rotation and not be returned to the allotted time.

**The Chair (Ms. Cheri DiNovo):** Agreed. We now move to the official opposition.

**Mr. Toby Barrett:** In the remaining hour—actually, I wanted just to throw out an idea to the members of the committee. When we commenced our hearings, it was indicated that this was the first time in 10 years that OMAFRA had been before this committee; maybe OMAFRA will be back 10 years from now. I just made mention to legislative research. In that interim, I wondered if we could—I'm working on a research question, if you will. Yes, let's assume a 10-year cycle.

I just wanted to perhaps get some data or some information with respect to our agri-food industry, rural and northern issues, things that government and elected representatives should be thinking about. I'm still working on the question and I guess I have a deadline of one hour to submit it. I just wanted to give people a heads-up.

I'd like to, maybe with some assistance around the table—let's put our researcher to work on something like that. You may have some ideas as well. I guess I would raise that at the appropriate time, ever bearing in mind the deadline to submit a question from the committee. I'll just leave that to people to think about.

When we look at our great province over the last—gosh, I think of my mother's farm. I guess we've had that farm in the family for 225 years now. People have been coming to this part of the world, including part of the north, as has been indicated, for hunting, trapping, fishing or military reasons, but much of that initially relating to sustainable farming—really, self-supporting farming in the pioneer days—and why we have seen the success of producing animals and crops, and working it into food, fibre, pharmaceuticals and other products, and trading these products.

1700

In my view, we are blessed with climate, a microclimate. Even the cold winter kills off a lot of the stuff so that, to this day, we don't necessarily need to have certain pesticide registration for that reason.

**Microclimate:** Down my way, along Lake Erie, we can grow tobacco, we can grow cotton and we can grow just about everything short of tropical crops. With greenhouse technology, or hothouse technology, you can grow lemons and bananas if you want to, for that matter—and I think somebody is.

We have a culture based on agriculture. We know how to do things—the mechanical ability of people in the business—not only farming, but manufacturing and food processing. I think of the GTA, as I mentioned, as second only to Chicago—Los Angeles might disagree with that, so perhaps second only to Los Angeles, as far as food processing.

Technology, innovation, irrigation-based agriculture—again referring to my area, on the sandy soil, that's crucial for the production of tobacco—sweet corn—potatoes in particular use an awful lot of water, which is recycled back—and our ability to manage labour.

We have all of this going for us. But I think what we really have going for us—it's obviously a challenge, but we have Mother Nature on our side, in one sense, although Mother Nature can really be a challenge, as we know. Nobody, no government committee or policy or legislation or regulation, can out-think Mother Nature. Think of the drought this summer.

We see a much more urbanized environment. We have so many other people in our society that have an ever-increasing say in our food production, our work with animals and growing crops, and so many other factors.

Our tremendous diversity in farming is based on our biodiversity and the environment that we live in. Even in the heart of central Toronto, there is more wildlife here than the Norway maple—or the Norway rat, for that matter. There is wildlife in the ravines, certainly, to the north of here, and the potential for micro agriculture. I don't think they allow chickens in downtown Toronto. I kind of question that. I think there are still options for

that. You could put them under the solar panels on top of the high-rise buildings in this neighbourhood.

Where I'm coming from, ever-changing—I find agribusiness and food production do a really good job of knowing who their customer is and knowing the society that they're operating in. We have to get out ahead of that. As I mentioned, I'm thinking ahead, over the next 10 years.

One program—and I'll make a pitch—which is known to the people in this room, and certainly to the minister, is the ALUS program, alternate land use services. In many ways, it's compensating farmers—in reality, not necessarily from government money. It's private sector money. It's compensating farmers and people working with the land, in return for environmental goods and services that would benefit wildlife habitat, hunting and fishing—people heavily involved in bird-watching, for example; there's a significant number of people involved in bird-watching—and bee habitat, and on and on and on.

I use this example: Our operation now is cash crop. During a dry spring, when you're on a tractor with a set of disks and you're working up ground—in dry weather, there's that one corner of the field that's always wet. There are always cattails. When there's dry weather—I've done it myself, and I hate to admit this—if you swing your disk through there, you disk under the cattails, and you've got another maybe 1/15 or 1/8 of an acre that you can bang in some corn or soybeans, but you don't have ducks coming there until you get another period of wet weather.

So there's a compensation for people who are working land to perhaps set aside that corner for wildlife habitat, instead of putting in, or even taking out, say, 16 rows of corn—the combines we have aren't that big now. They're, what, 16 or 18 now?

**Mr. Randy Pettapiece:** They're 24, actually.

**Mr. Toby Barrett:** Even 24—even to take out 24 rows of corn and restore a fence row. There's no fence, but you've restored that strip at right angles to the wind, which would help with respect to soil movement. Deer like moving across this. Then you get wild grape, labrusca. Don't use it for wine, but you can use it for jelly. Well, I don't know. I guess we all drank labrusca wine in our younger days. I won't mention any of the brands. We seem to have a more sophisticated approach to wine these days.

The ALUS program, the pilot in Norfolk county: I know when we first launched it, the Minister of Agriculture for Prince Edward Island came over to the OMAFRA station at Simcoe. It came out of southern Manitoba. The Keystone Agricultural Producers and Delta Waterfowl put this together. I can attest to tremendous success in Norfolk county. It spread into Elgin and elsewhere. Certain foundations put money into these kinds of programs.

A pollinator strategy: You put in walnuts. Not much grows under walnut. Goldenrod grows under walnut. Bees love goldenrod. Up until very recently, that's where a lot of the honey came from on our farm. I've got about

a million bees maybe just 100 feet from my front door. We can cohabit quite nicely, and they do very well up our gulley with goldenrod.

Advantages as a way of leveraging any changes, certainly amongst the early adopters in the farm community, around doing something about carbon dioxide and carbon capture: I'm convinced that if we want to do something real about that, the answer lies with forestry and farming. That's where the land base is. We know that trees capture carbon dioxide. When you cut them down and put them between drywall, that carbon is not going anywhere until the house or the shop or whatever is demolished.

With agriculture, we had a visit very recently down our way from Dianne Saxe, the Environmental Commissioner. She explained to us with respect to mainly cash crop agriculture that over the last 30 years—we were shocked to hear this—we've lost 30% of the organic matter, the humus in our soil. I don't have the data on that. I was shocked to hear that. We've been growing hybrid corn on our farms for 60 years, Funk's G hybrid corn. My dad used to sell it. There's an opportunity here. What can be the incentive, say, for a dairy farmer—we go to the new barn openings of dairy farms. Liquid manure: When we milked cows, it wasn't liquid manure. A liquid manure system—should we be encouraging that with dairy? You could still do more of a dry manure or manure-spreader system using, obviously, less water—I know the water is recycled—but putting more manure with straw, hay, sawdust and all the other dry bedding systems for dairy back into the land.

There are some of the high points on ALUS. I don't know what kind of relationship this government has with respect to the ALUS program. If I could get some clarification. I think we lost a stewardship program. I just want to know where we are. I apologize for going on at length on this, but I'm trying to think of the future of agriculture and how we can still make money but do the right thing, as we used to do, as my father and grandfather did and as I see the Amish in my neighbourhood doing, where we farm sustainably with minimal use of chemical fertilizer, herbicide, insecticide and fungicide, and we put everything back into the land.

1710

**Hon. Jeff Leal:** Thanks, Mr. Barrett. No need to apologize for your philosophical and historical observations about agriculture in the province of Ontario.

Just to your first observation, I think the world, and society in general, will have to come to grips with a fundamental fact: By the year 2050, there will be nine billion—and I repeat: nine billion—people to feed in the world. Your observations are quite correct: How does Ontario—how does Canada—in the enviable position that we're in today, in terms of our land base—I mean, the world is going to call upon us to do it. There's no question about that. I think we all now recognize that climate change is going to fundamentally change the equation for agriculture on a worldwide basis, and that's going to be extremely significant.

You talked about your own family. I made note of that, the 300-plus years of history in your county. It's always interesting for me, as I travel rural Ontario, to see the number of farms that still have those 1967 centennial signs on their farms. It was an initiative of the province of Ontario and the government of Canada, during the centennial, to recognize those farm families that were there for at least 100 years and, in your family's case, much more than that.

I haven't broached it with my folks yet, but I think it might be appropriate, as we move into Canada's 150th anniversary, that we again find a way to recognize those farms that have been in existence on a continuous basis for at least 150 years.

You talked about when you're out disking in the spring and you make that wide turn and you knock down cattails. Of course, increasingly, I could only reflect on my own county of Peterborough. Many years ago, when I was a kid growing up, a lot of farmers would leave acres fallow and grow red clover, which was a natural habitat for pollinators for many, many years. Of course, what has happened, and in some ways it's a good thing: The price of corn went up substantially and the price of soybeans went up substantially. So a lot of those acres that were formerly set aside for growing red clover as a habitat for pollinators were eliminated substantially, and those acres were turned into growing both corn and soybeans.

Fifteen years ago, we weren't growing a lot of soybean in Peterborough county, and today, it's the largest cash crop in my county. It has bypassed corn.

I'll just turn the rest of it over to my deputy, Deb Stark.

**Dr. Deb Stark:** Thank you. I'll make a couple of comments, trying to address a couple of the points you have made, and then Randy will talk more about ALUS.

I'll start by saying we continue to have an ongoing relationship with the people that are involved in the ALUS programming. I think it's a good success story, an Ontario success story, and we continue to work with them. At this point in time, I do not believe we're a direct funder of ALUS, unless we've got a specific project that we've got with them.

Just a couple of things that you commented on: You commented on urban farming and how that's changing. I just read yesterday that Toronto has a goal of having 25% of their fruit and vegetables grown themselves, by the city of Toronto, by 2050. It seems like a really ambitious goal but, as you know, with the changes in technology and the real interest that communities have now in supporting themselves—community gardens, rooftop technology, where the greenhouse technology has gone, so that you can have a whole closed-loop system and grow greens and be nowhere near the land, quite frankly—that is all changing very rapidly.

**The Chair (Ms. Cheri DiNovo):** Mr. Barrett, you have just over two minutes left.

**Mr. Toby Barrett:** Okay. I should know this. We lost the stewardship program?

**Dr. Deb Stark:** The stewardship program came to an end at the end of that funding, but what we have is

something called Growing Forward 2. That is joint federal-provincial-territorial programming. Several streams of programming under that are supporting environmental initiatives. One I would highlight is the GLASI program, the Great Lakes Agricultural Stewardship Initiative, where we're targeting that program specifically to areas that have an impact on Great Lakes water quality, especially Lake Erie. But there's also absolutely more general programming for environmental initiatives.

I will also add that the whole issue of sustainability is very much on the agenda of the farm leadership. Ontario Pork released their first sustainability plan just about this time last year, I believe. They have set their sustainability goals. At the national level, the grain farmers are doing the same thing. They're part of a sustainability coalition, and you also see the beef farmers at the national level.

So the ability to prove that you are farming in a way that is responsive to not just the economic, but the environmental and the social questions.

**Mr. Toby Barrett:** I should mention that Beef Farmers of Ontario have put out information on capturing carbon. And of course, the OFA's Don McCabe and Beef Farmers of Ontario have, as I recall, talked about the ALUS program as a model to use going forward with respect to the northern herd expansion, whether it's on private land or on—well, we need the crown land. We need access to crown land. But, to do it properly, using principles, inculcate some of those principles.

Just one last point with Canada 150: This is the 225th anniversary of the province of Ontario. It used to be called Upper Canada. We're called MPPs, because we're—back in the day we used to be MPs; now we're members of provincial Parliament. I don't know if it's odd that we don't talk more about our 225th anniversary here in Ontario.

**Hon. Jeff Leal:** It's interesting, Mr. Barrett; you mentioned MPPs. Of course, that was brought in by Premier Leslie Frost, who wanted to call MPPs "members of provincial Parliament," because he thought Ontario was the lynchpin in Confederation and because of the fact there's only one Parliament—that's in Ottawa. The rest of them are either legislative assemblies or houses of assembly. But he wanted to do something special for Ontario, and that's how we became MPPs.

**Mr. Toby Barrett:** Well, we predate Canada by some 75 years. Our library is 200 years old.

**Hon. Jeff Leal:** Yes, exactly.

**The Chair (Ms. Cheri DiNovo):** And I'm afraid your time is up, Mr. Barrett. We now move to the government side. Ms. Vernile.

**Ms. Daiene Vernile:** Thank you very much, Chair. Good afternoon, Minister. It's great to see you here. I have the great pleasure of asking you about a topic that's very near and dear to my heart, and that is Ontario Wine and Grape Strategy.

**Hon. Jeff Leal:** Oh, very good.

**Ms. Daiene Vernile:** We know that we have a very diverse beverage alcohol sector. It spans from inter-

national exports all the way to small, niche products that we see being sold locally. In order to provide consumers convenience and to support domestic producers, our government has made the biggest single change to alcohol distribution in the province since the end of Prohibition—none of us were around at that time, of course. This has resulted in expanding beer insider sales in up to 450 grocery stores across locations in Ontario, wine sales in as many as 300 grocery stores—and we're seeing up to 70 locations just this fall—as well as access to fruit wines in up to 35 grocery stores, and VQA wines, craft ciders and fruit wines that are now available to buy at local farmer's markets.

Minister, you joined me not long ago at a farmers' market in my region of Waterloo region: the St. Jacobs market, which tragically had a fire and burned to the ground. But, through the efforts of some very caring entrepreneurs, it was rebuilt, and you were there for the ribbon-cutting. At this particular farmers' market, they of course are selling this kind of craft wine and craft cider. So VQA wines that are made from 100% Ontario grapes have earned an outstanding international reputation for quality and really are a point of pride.

Minister, I'm old enough to remember when if you talked about Ontario wine it was a bit of a joke, wasn't it? In fact, it was an oxymoron to say "Ontario wine." Look at how far we have come. Our wines are now impressing people, turning heads around the world and winning international competitions. Recognizing their importance to our economy, this government has celebrated and supported these wines, and that support has resulted in really significant growth to a number of VQA wineries right across the province since 2009.

1720

Just last night, here at the Ontario Legislature in our dining room, we had a competition where we invited a number of vineyards from across Ontario to participate, and MPPs got to sample these wines. They came from Leamington, the Niagara area, and I believe we even had one there from eastern Ontario. It was a tough job, but I was happy to participate.

The one that is the winner—and we don't quite know at this point; I'm sure they'll let us know. But those vineyards will now become the wine—the white and the red—that is sold in our dining room here at Queen's Park for the next year.

Minister, can you and your staff please tell us how the government has supported growth in the wine and grape industry, and how you are moving forward to ensure the long-term sustainability and viability of this industry?

**Hon. Jeff Leal:** Thank you, Ms. Vernile, for the question. You talked about Prohibition. It's an interesting story. After I graduated from Trent University, I actually did my second degree in business at the University of Windsor. There was a lady there in the residence that I lived in. She worked Saturdays and Sundays to try to make sure that the residents were all behaved—and I can assure you that I was a well-behaved student. She was a senior, a lovely lady. Mrs. Brothers was her name. She used to regale me with stories.

We lifted Prohibition in Ontario in 1926. We did that well before the United States. She used to tell me that in the 1930s—of course, Windsor was the home of the well-known Canadian Club whisky. She would tell me stories about all the boats that were going across in the middle of the night from Windsor to Detroit. It was alleged that some of it went to Al Capone. It was alleged that some of it went to the Kennedy family, being involved in those nefarious activities in the Detroit area. It was interesting about Prohibition, that we were much more progressive in Ontario when we lifted Prohibition in 1926.

**Ms. Daiene Vernile:** I thought that you were going to tell me that maybe she was a bootlegger.

**Hon. Jeff Leal:** Well, you know, I used to wonder about that, but I never got to that direct question.

The reason I wanted to provide that with the background—we lifted Prohibition in 1926, but just recently, we reformed the distribution of beverage alcohol in the province of Ontario, the most significant reform since 1926.

You may recall, back in 1985, then-Leader of the Opposition Mr. Peterson, I think, had incorporated as part of his 1985 election platform selling beverage alcohol in grocery stores across the province of Ontario. Mr. Peterson found himself in a minority situation from 1985 to 1987. I believe that the initiative actually had a vote in the House, and it was turned down at that particular time. That planted that seed that we would, at some stage, fundamentally reform the distribution of alcohol in the province of Ontario.

As you know, we brought in reform. We're now selling beer and cider at 450 grocery store locations in Ontario—actually, two in my hometown of Peterborough. The Armstrong brothers, a great family, support a lot of charities in Peterborough. They have two Sobeys stores, one on Lansdowne Street West and one on Chemong Road. Of course, they're selling beer at that location, and they're also now selling craft beer. Mr. Crack will not appreciate this: We don't sell Beau's in Peterborough, but we do have Publican House and Smithworks that are being actively promoted by those local grocery stores—and I know that's happening in every part of Ontario.

I want to recognize those entrepreneurs who are taking the time to really promote those local beers. One of these days, I'll get down to Cobourg and maybe check out the grocery stores and see what's happening down there.

You wanted me to talk about wine for a moment. I didn't mean to digress there, but I'll get back to the details on wine. Since 2009, the Ontario Wine and Grape Strategy has helped to increase Ontario wine sales by \$272 million, growing the sector to support 7,000 direct jobs. Just yesterday, we heard from Matthias Oppenlaender, head of the grape growers reception. Those who were present in the dining room yesterday selected the VQA wines, red and white, for the upcoming year. We certainly heard from him how we're making such great progress.

You know, you can go to any part of the world today and you can access VQA wines. The grapes are harvested

on the north shore of Lake Erie, on the Niagara peninsula or in Prince Edward county. These are quality products that are in demand around the world.

When Minister Chan and I—and my deputy was with us—went to China in April 2015, Pillitteri Estates inked deals with businesses in China to export icewine to the Chinese market. Pillitteri Estates dominates about 20% of the world's icewine market. Again, it's a great opportunity.

I want to talk about Niagara College for a moment. They're a key player in all of this. Dan Patterson, who is the president of Niagara College, has developed two wonderful programs for students at that college. First of all, they grow their own hops, they make their own craft beer, and they actually retail the craft beer on the college site. They got a special exemption from the Alcohol and Gaming Commission and the province of Ontario to do that.

They do the same thing on the wine side. They grow their own grapes. They bottle their VQA wine—red, white and icewine—and they sell it through the retail aspect of Niagara College.

What is so important about that is that the bulk of those graduates come out of Niagara College and go right into the industry to seek their careers there. The wine and grape strategy has been a tremendous success.

I think many of you have also had the opportunity to meet this year's Grape King. He was present yesterday with his chain of office; it looks like a chain of office that Mr. Crack or Mr. Rinaldi would have worn when they were mayors. I never got to that position in life, but I do know that those two gentlemen did.

When you look at the extension of wine sales, they will be up to 300 grocery stores, including 70 this fall. VQA wines, ciders and fruit wines are now available for purchase at local farmers' markets. This has been a tremendous success story.

**Ms. Daiene Vernile:** Well, I'm sorry you never got to wear the chain of office, but you went on to bigger and better things, right?

**Hon. Jeff Leal:** Well—

**Ms. Daiene Vernile:** Minister, you're quite right that our wines are very popular around the world. I have two sons who work in the tech sector. Their head office is in Kitchener, but whenever they go to the Pacific Rim—and they've been about a dozen times in the past year to visit clients in Singapore, Hong Kong, Beijing and Taiwan—what they take with them is Ontario wine. They take icewines, and it is coveted. Let me tell you, they become very popular when they're there.

Just a quick story for you: Many years ago, in 1980-81, I spent a year living and working in south Texas. Much to my surprise, the first time I wandered into a grocery store there, they had wine and beer. It seemed very convenient. I scratched my head and I wondered, "Why don't we have this in Ontario?" and when and if that would ever happen.

I came back to Ontario, back to university, and I remember Mr. Peterson in 1985 making that promise.

I'm very glad that you and the government of Kathleen Wynne have delivered on it. It's a few years later, but now we do have it.

I know it's early days with this, but let me ask you: How do you think that the changes we have made are going to impact the amount of wine, cider and beer that is sold in Ontario? I should probably take beer out of the equation. We're just talking about wine and grape jobs that will be created. What are people within the industry telling you about how this is going to impact them economically?

**Hon. Jeff Leal:** Ms. Vernile, it's interesting. You talked about the history of the province of Ontario. Alcohol policy in Ontario has been quite fascinating. I just want to take you back for a moment to the 1948 provincial election. The then-government of George Drew won a majority government in 1948, but Mr. Drew was defeated in his own seat right here in Toronto. He was defeated by a fellow who was running for the CCF, a guy by the name of Bill Temple. Bill Temple was totally against the use of alcohol in the province of Ontario.

Mr. Drew, when he became Premier in 1943, brought in some liberalization of the ability to sell alcohol within—they were called cocktail lounges in those days. I point that out as to how distribution of alcohol in Ontario throughout our history has been somewhat controversial. Of course, Mr. Drew went on to lead the federal Conservative Party in Ottawa after he was finished as Premier of Ontario.

#### 1730

Our strategy, of course, has helped to support the expansion of wineries across our province. This has benefited our growers, created a boom in agri-tourism, and given Ontario consumers and wine drinkers worldwide a unique made-in-Ontario taste.

I know I've had the opportunity to visit wineries in the Niagara Peninsula. In fact, last Thursday night, we hosted all of the delegates from a tri-national meeting we had, the agricultural accord meeting, at the John Peller estates in beautiful Niagara-on-the-Lake. I wish all Ontarians would get the opportunity to visit Peller Estates, the Grange in Prince Edward county or some of the other great wineries on the north shore of Lake Erie, because it is a phenomenal experience. Even if you don't partake in the consumption of VQA wine, just to take a tour and really marvel at how this process works—seeing those large oak barrels that are storing it—I mean, it's a fascinating process.

To talk to wine makers and sommeliers, the people who are involved in this industry—well, I have kind of an elementary knowledge about wines. I am told the grape harvest in 2016 is going to be superb. So in three years' time, for what it's worth, I would make a recommendation that the vintage of 2016, I think, is going to be very, very good.

**Ms. Daiene Vernile:** Here we are talking about wine and cider sales, just the sales themselves. However, you bring up something that's very interesting, and that is the tourism piece. When you chat with people in the Niagara

area and elsewhere in Ontario, why is that important to them?

**Hon. Jeff Leal:** Well, it's so important because it's a draw, right? It really is. On a personal basis, my wife, Karan, and I and another couple in Peterborough did a kind of mini-tour this summer to visit some of the wineries in Niagara. Again, what a great experience. You can purchase a bottle of red or white or icewine, but often you get to experience some great culinary dishes. Again, they take products that are, in this case on the Niagara Peninsula, locally grown products, and they're wonderful chefs and create just marvelous, marvelous things to eat. By bringing together the wine industry and tourism, it's becoming increasingly a great draw, whether it's the Niagara Peninsula or, certainly, the north shore of Lake Erie or Prince Edward county.

**Ms. Daiene Vernile:** We see more wine and cider being sold at grocery stores and farmers' markets.

**Hon. Jeff Leal:** We do.

**Ms. Daiene Vernile:** Where are we going to take this? What is the industry telling you? What are they lobbying for?

**Hon. Jeff Leal:** Well, I think the potential is unlimited. More and more, as I said, around the world, Ontario's reputation is phenomenal. We are as good as some of the best French wines, Italian wines or New Zealand, Australia, Chile or South Africa. We have the ability now, and we should take pride that Ontario VQA wines can compete with the best in the world.

**Ms. Daiene Vernile:** We're now teaching this at colleges too, aren't we?

**Hon. Jeff Leal:** We are. Absolutely.

**Ms. Daiene Vernile:** Talk to us about that, if you can.

**Hon. Jeff Leal:** Well, I just highlighted Niagara College. Of course, they work very closely with Brock University and, of course, it is the entrepreneurial spirit. That's what's so important. In the province of Ontario, we have these young people, the brightest and the best, whether it's at Brock or through their relationship with Niagara, and then they're taking on the world because they're getting jobs or careers. When I talk to those students, they have a real passion for both food and wine. It's truly a really positive sight to behold.

**Ms. Daiene Vernile:** And considering the fact that our wine used to be questionable, the fact that it is so popular now—it's selling well and being sold in more locations. This is actually a viable business to get into.

**The Chair (Ms. Cheri DiNovo):** Ms. Vernile, you have just about two minutes left.

**Hon. Jeff Leal:** I'm not sure I should provide insight on what businesses people should get into, but I could say—

**Ms. Daiene Vernile:** But we're seeing growth, though, right?

**Hon. Jeff Leal:** It's a good spot to be in in the 21st century, I can tell you that.

**Ms. Daiene Vernile:** Okay. Thank you very much. Does anyone want to take over?

**Mr. Han Dong:** Chair, how much time do we have left?

**The Chair (Ms. Cheri DiNovo):** You have two minutes.

**Mr. Han Dong:** Okay.

**The Chair (Ms. Cheri DiNovo):** About a minute and a bit.

**Mr. Han Dong:** Can we keep this for the next round? Actually, by the time we get an answer—I'm going to go ahead with a question, then.

**The Chair (Ms. Cheri DiNovo):** It's easier to use it now.

**Mr. Han Dong:** Thank you, Chair.

We can keep talking about this in the next round, but I want to just give you a heads-up that I will be asking questions on cap-and-trade. Climate change is very real upon us. I'm very pleased that our government is coming out with some real action and a plan to combat climate change. I know the rural and the agricultural sectors will be affected, positively and negatively, in some areas. I'll go into some of these questions in the next round because I know this is very important and we won't have enough time to really talk about it in this round. So I'll wait until the next round.

**The Chair (Ms. Cheri DiNovo):** We now move to the Progressive Conservatives, the official opposition. You have 11 minutes and 40 seconds.

**Mr. Randy Pettapiece:** Thank you, Chair—

**The Chair (Ms. Cheri DiNovo):** Excuse me, I should say we have 35 minutes left, so that's 11 minutes and 40 seconds per caucus. Go ahead.

**Mr. Randy Pettapiece:** It's great to talk to you, Minister. I'm going to talk about the horse racing industry and the issues they face. I don't want to sit here and talk about what's happened—we all know what happened—but there is some real worry with the industry as to where it's going or where it may not go. I've been keeping up on this file as much as I can and have been to different meetings with different associations. Now we have a new association called Ontario Racing, as I'm sure you're aware.

The board of Ontario Racing or the—I believe it's the interim board; is that correct, sir, that's there right now? It's made up mostly of board members from one sector of the industry, and that is OHRIA. That's one of the concerns that some of the other folks have had as to why the board was formed the way it was, and maybe it didn't allow some people who might have wanted to be on the board to be on that board at the start of this whole situation.

Can you tell me why things were done the way they were, as far as the board goes?

**Hon. Jeff Leal:** First of all, Mr. Pettapiece, as Minister of Agriculture, Food and Rural Affairs, I go to horse races. I mean, I do go to horse races, and I go to horse races on a fairly frequent basis. About a year ago, on one particular Saturday night at Kawartha Downs, I actually went to the barn. I spent my whole night—

**Mr. Grant Crack:** Did you just say Peterborough?

**Hon. Jeff Leal:** Yes, in Kawartha Downs. I spent my whole night lugging around pails of water, pails of oats

and horse blankets so I could understand every aspect of what happens on the backstretch in terms of horse racing. I thought that was the best way that I could educate myself and really appreciate the people who are involved in that industry.

I often remember, as a kid growing up—I don't know how familiar, Mr. Pettapiece, you are with Peterborough, but when I was growing up, horse racing was held at the Peterborough Exhibition grounds on a Saturday night. I was about 10 years old; I used to sneak under the fence in order to go to the horse races on a Saturday night. I've always had a real interest in horse racing. I go and I wager a few dollars, I must admit. I'm pretty good at handicapping a standardbred program, to look at what horse I should be betting on.

But more specifically to what you've raised, I'll hand it over to Christine Primeau, our chief administrative officer and assistant deputy minister, research and corporate services.

1740

**Ms. Christine Primeau:** Thank you, Minister. I just want to clarify that Ontario Racing is in the process of having the second interim governance put in place. They had started with an interim governing board when they were established as a not-for-profit entity, and then they have actually moved to members of the pre-OHRIA board as their next membership, in terms of their interim board. They're currently out doing some consultations with the industry. I believe that they are in fact engaging in terms of advice on their formal governance structure, which they intend to have in place by January 2017.

**Mr. Randy Pettapiece:** Yes, I understand that. I guess the question is this: Some other organizations may have wanted to be on this board, but weren't given the opportunity to do it. That's why I asked that question. It's been asked of me, and I don't know the answer. That's why I'm asking.

**Hon. Jeff Leal:** My deputy, Mr. Pettapiece, would like to respond.

**Dr. Deb Stark:** I can give a little bit more perspective. There was a panel that made recommendations about the long-term future of the horse racing industry. I forget what year it was, Minister, that the results came in. One of the things they recognized is that there really wasn't a common industry voice. So it was a recommendation of that panel at that time that the government move to support building this kind of association. We have been supporting them indirectly to try to encourage that to happen.

Part of the other recommendation was that horse racing be integrated with gaming, so we put in some of the changes to make that happen as well.

In an effort to move fairly quickly to have an organization that could start to go out and consult and start to build the confidence of the industry—that is why they had the first interim organization, to basically set up the legal structure. It's my understanding that as they had conversations with the sector—and again, at this point in time, it's still a fragmented sector—the decision was

taken that it would be best to move to the quasi-OHRIA board.

But as Christine said, the commitment is to move to a more representative board, a skills-based board, actually, and to have that done this calendar year. It's meant to be an interim step between three individuals who really didn't have a lot of ties with horse racing to organizations that maybe didn't represent everybody, but did have more of a stake in the game—the OHRIA association—and then to move fairly quickly to the broader representative thing.

Certainly Minister Sousa, Minister of Finance, is the one who has the major responsibility for the horse racing file. We have some funding for some of the Horse Improvement Program and equine welfare. As Minister Leal has indicated, he has a strong interest in that, but both ministers are very clear that they want this board to move very quickly to be representative and truly be a voice for the industry. So it really is a short-term kind of thing.

**Hon. Jeff Leal:** Mr. Pettapiece, if I could add, Ontario Racing will be holding consultations throughout the month of November. They're going to be at Hiawatha racetrack on November 9, Western Fair Raceway on November 13 and Rideau Carleton raceway on November 16; in the Port Perry area at Golfer's Dream golf club November 19 and in Milton at the Gambrel barn in Country Heritage Park on November 22.

**Mr. Randy Pettapiece:** I think that's the list I've got here, so thanks very much for reminding of me that.

**Hon. Jeff Leal:** I just wanted to get it on the record.

**Mr. Randy Pettapiece:** One of the other questions that was asked, actually quite recently, was there's about \$2 million involved here that's going to go to the Woodbine Entertainment Group to administer the new system. One of the questions that was asked—and this is not to criticize WEG or anything else, but why were they picked? One of the reasons they asked that question was they thought maybe there could have been other organizations that might have had a chance at it, or they were in the management business, but the Woodbine group was just asked. In fact, it says here that one of the people from WEG said that they didn't actively pursue this, but they were approached by the OLG to manage it.

**Hon. Jeff Leal:** I'd ask my deputy to respond.

**Mr. Randy Pettapiece:** Sure.

**Dr. Deb Stark:** We have not been privy to the work of OLG as they worked with Ontario Racing and the racing alliance to put forward the proposal. That is the package that is out for discussion right now. My understanding is that there was a sense that WEG is absolutely the biggest, for sure, and has some of the capacity to do this. I think that's one of the things that is in consideration. Both of you are aware of the dates and the consultation that's going on. Absolutely, one of the things that are out is that we ask the community about what they can grow.

**Mr. Randy Pettapiece:** So you don't know how long this \$2 million is spread over, whether it's for a year or 10 years?

**Ms. Christine Primeau:** This long-term funding framework is actually what is out for consultation, and that is what they were looking for engagement on. It is supposed to be for 17 years, so it is intended to replace the current arrangements that are in place around the horse racing partnership plan.

**Mr. Randy Pettapiece:** I'm talking about the \$2-million management fee.

**Dr. Deb Stark:** We will endeavour to get back to you on that.

**Mr. Randy Pettapiece:** All right. Toby, have you got a question?

**Mr. Toby Barrett:** Yes. The minister will know that in the Fertile Ground report recently presented by the Ontario Chamber of Commerce, there were a number of recommendations. One set, under access to risk management tools—I'm not sure how much time I have, but very quickly—they had recommended, given the economic importance of Ontario's food and beverage processing, to recognize this sector as a priority area in the successor initiative to the GF2, to support growth and innovation in the sector. I would imagine the province is consulting with the federal government on the next round of safety net programs.

Again, the food industry is a capital-intensive industry. They talk about Canada investing something like \$14 billion a year in fixed capital, buildings, equipment. Any comments on that recommendation from the Ontario Chamber of Commerce?

**Hon. Jeff Leal:** First of all, Mr. Barrett, in the time that I've had the great privilege of being the Minister of Agriculture, Food and Rural Affairs, I've had a very good relationship with the former federal minister, Mr. Ritz, from Saskatchewan. I enjoy a very close and productive relationship with the current minister, Lawrence MacAulay, who is the federal Minister of Agriculture and Agri-Food, from Prince Edward Island. Mr. MacAulay, of course, himself is a farmer, a very successful dairy farmer, on the island and has a seed potato operation.

Last July, in Calgary, the 10 agriculture ministers from the provinces and the three territories started the initial discussion for GF3. We produced what we called the Calgary statement. I believe a copy of that can be provided to you, if you don't have one. It was the start. The title is Towards the Next Agricultural Policy Framework—for Canada. Over the next number of months, agriculture deputies from the various provinces and territories, and ADMs, will be engaged with the government of Canada as we continue this very collaborative and co-operative process. We're hoping that a document will be made available—

**The Chair (Ms. Cheri DiNovo):** I'm afraid that is it, Mr. Barrett. Sorry, Minister.

**Hon. Jeff Leal:**—in Calgary in 2017, for the next ministerial meeting.

**The Chair (Ms. Cheri DiNovo):** We now move to the government side: Mr. Crack.

**Mr. Grant Crack:** Mr. Dong, did you want to—sorry, it's Mr. Dong.

**Mr. Han Dong:** I just want to quickly ask the minister, for the record, what is our government doing to support farms and food processing sectors in Ontario? What are we doing to transition them into a low-carbon-economy industry?

**Hon. Jeff Leal:** Mr. Dong, I'll ask my assistant deputy minister, Mr. Malcolmson, to respond to that, on the low carbon.

**Mr. Han Dong:** Thank you.

**Hon. Jeff Leal:** Just to give you a snapshot, in 2014-15, our government influenced nearly \$330 million in investment in the food processing sector, creating or retaining over 2,200 jobs right here in Toronto. Probably, Toronto is the second-largest food distribution hub in North America today. We continue to make those strategic investments as Ontario continues to be a leader in this field.

What's more important is, when it comes to our food processing industry in the province of Ontario, more than 65% of Ontario's grown commodities are purchased by the province's food processors. What that means is that these food processors are directly related to the 52,000 family farms that are primary agriculture in the province of Ontario.

**1750**

I know my time is getting scarce, here. I would like Mr. Malcolmson to respond to the other part of your question.

**Mr. Han Dong:** Thank you, Minister.

**Mr. Phil Malcolmson:** I'm Phil Malcolmson, assistant deputy minister, Ministry of Agriculture, Food and Rural Affairs. Very quickly—and part of this I gave in my response to Mr. Vanthof, so I won't repeat some of that—farms are not going to be regulated under the cap-and-trade system. Some food processors will be regulated under the system depending on their emissions level, which is 25,000 metric tonnes per year.

The supports I'm going to talk about relate to both farmers and food processors. I did talk a little bit about how there may be an opportunity for a revenue stream for farmers once we have protocols put in place with respect to carbon sequestration. With those protocols, once they're established and there is a third-party verification system, there may be an opportunity for Ontario's farmers to sequester carbon and sell those carbon credits. That's one thing that the government is doing to support farmers.

I talked a little bit earlier about the climate change action plan. Depending on the proceeds of auctions of carbon credits commencing in the spring of 2017, there's a range of supports the government has talked about that it would supply to a number of sectors. As it relates to agricultural farmers and food processors, some commitments that have been made publicly are between \$50 million and \$150 million to aid the transition of the food and beverage processing and covered agriculture sectors. Primarily, but not exclusively, that would get into new technologies and energy efficiency, because we know part of this is transitioning to different energy sources and moving off fossil fuels and so on and so forth. So

there's an opportunity where we can use technology to make our operations more competitive internationally and domestically.

The second is \$15 million to \$20 million towards pilot projects for renewable natural gas, which would be available on farm. As I mentioned earlier, with respect to soil health and conservation, potentially up to \$30 million is available for soil.

**Mr. Han Dong:** Thank you very much.

**Mr. Grant Crack:** Madam Chair, we would be prepared to cede our time. If we could ask to have the questions put on the estimates of the Ministry of Agriculture, Food and Rural Affairs, please?

**The Chair (Ms. Cheri DiNovo):** Is there agreement to cede the time? Seeing no disagreement, I will continue.

The estimates for the Ministry of Agriculture, Food and Rural Affairs are what we're going to vote on now. This concludes the committee's consideration of the estimates for the Ministry of Agriculture, Food and Rural Affairs. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates.

Are the members ready to vote?

Shall vote 101, ministry administration program, carry? All those in favour? Opposed, if any? I declare that carried.

Shall vote 107, better public health and environment, carry? All those in favour? Opposed, if any? I declare that carried.

Shall vote 108, strong agriculture, food and bio-product sectors and strong rural communities, carry? All those in favour? Opposed, if any? I declare that carried.

Shall vote 109, policy development, carry? All those in favour? Opposed? I declare that it's carried.

Shall the 2016-17 estimates of the Ministry of Agriculture, Food and Rural Affairs carry? All those in favour? Opposed, if any? I declare that carried.

Shall I report the 2016-17 estimates of the Ministry of Agriculture, Food and Rural Affairs to the House? All those in favour? Opposed? I declare that carried.

I believe we have one last piece of business. Mr. Barrett?

**Mr. Toby Barrett:** Yes, Chair. I mentioned earlier, maybe an hour ago, if the committee was amenable to have legislative research just pull together a bit more data for us, data that's being tracked in the province with respect to the growth and impact of the agri-food sector, the socio-economic well-being of rural and other affected communities, and data with respect to export, import and local food initiatives.

**The Chair (Ms. Cheri DiNovo):** Is it the will of the committee that research look into that question and deliver it to the members?

**Mr. Grant Crack:** I don't see any issues with a report coming down.

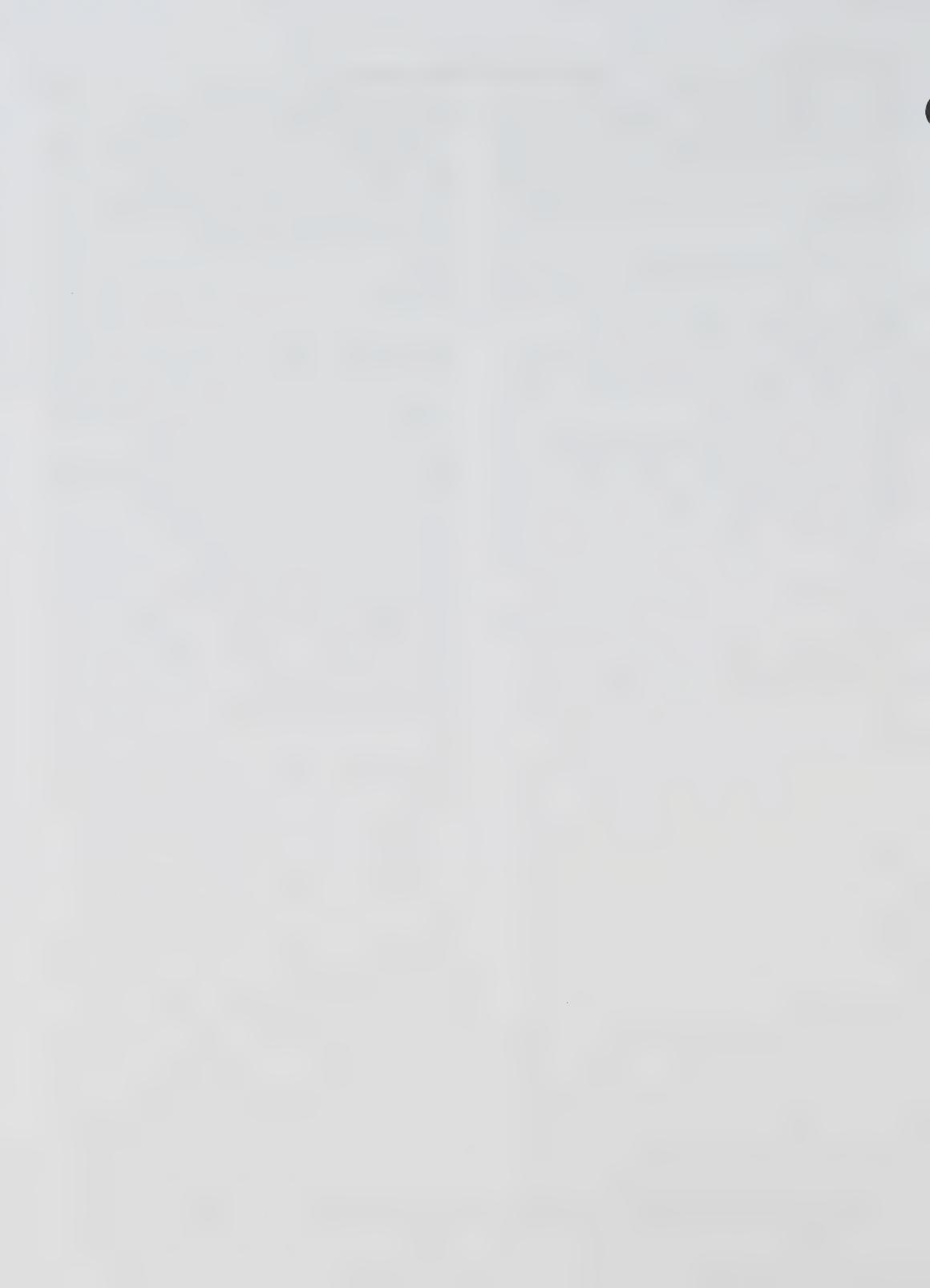
**The Chair (Ms. Cheri DiNovo):** Okay. So you're fine with that? Are we agreed? Thank you.

I declare this committee adjourned until—wait, what date? Where are we here, Clerk?

**The Clerk of the Committee (Mr. Eric Rennie):** Tuesday, November 15.

**The Chair (Ms. Cheri DiNovo):** Tuesday, November 15, at 9 o'clock. Thank you.

*The committee adjourned at 1755.*





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# Official Report of Debates (Hansard)

Tuesday 15 November 2016

# Journal des débats (Hansard)

Mardi 15 novembre 2016

## Standing Committee on Estimates

Ministry of Education

## Comité permanent des budgets des dépenses

Ministère de l'Éducation



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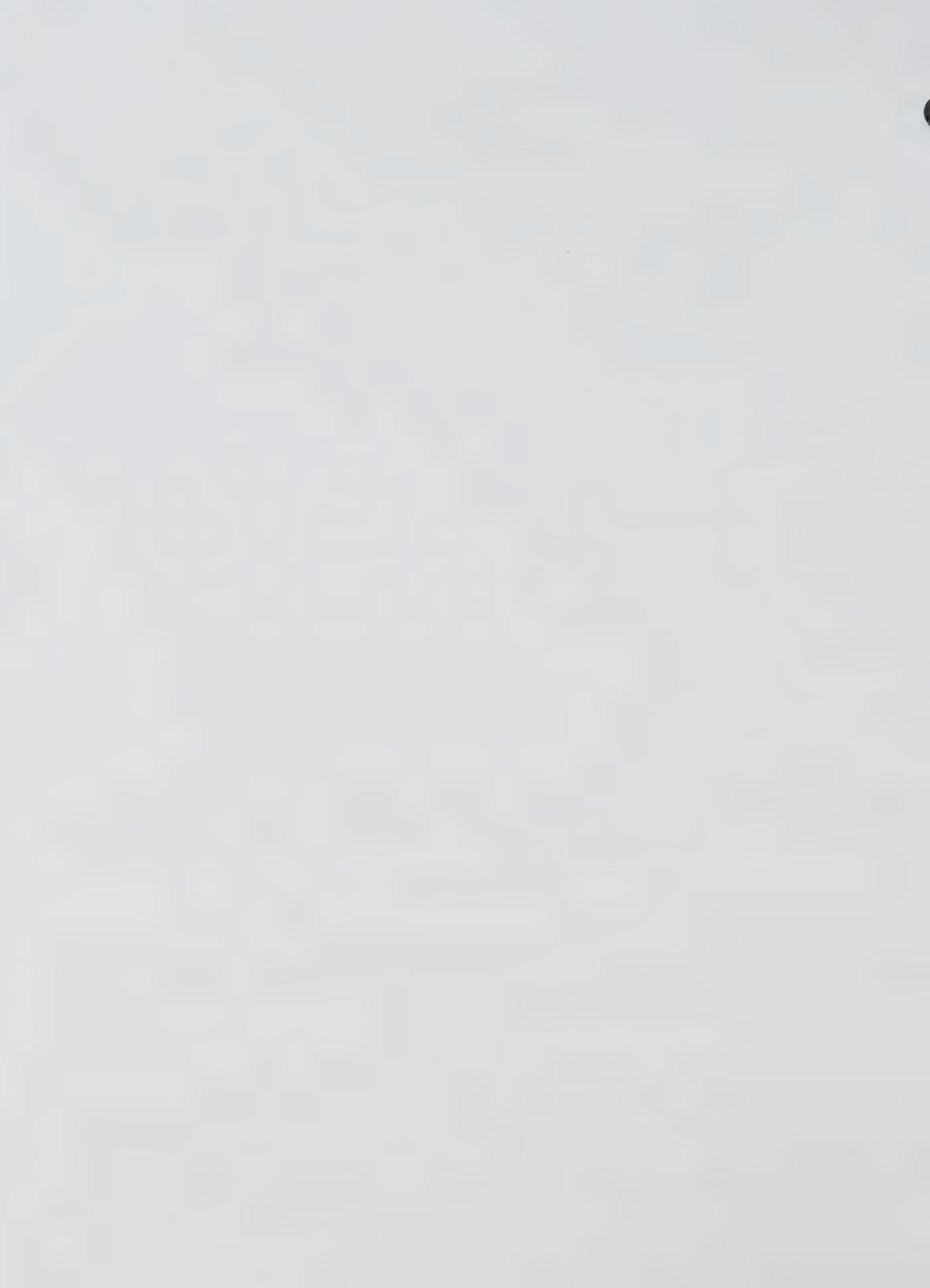


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## **CONTENTS**

Tuesday 15 November 2016

Ministry of Education .....	E-239
Hon. Mitzie Hunter	
Mr. Bruce Rodrigues	
Ms. Shannon Fuller	
Mr. Josh Paul	
Hon. Indira Naidoo-Harris	
Ms. Cathy Montreuil	
Ms. Janine Griffore	



## LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON  
ESTIMATES**

Tuesday 15 November 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES**

Mardi 15 novembre 2016

*The committee met at 0900 in committee room 1.*

## MINISTRY OF EDUCATION

**The Chair (Ms. Cheri DiNovo):** The committee is about to begin consideration of the estimates of the Ministry of Education for a total of seven hours and 30 minutes.

As we have some new members, a new ministry and a new minister before the committee, I would like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

I would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant to the estimates of the ministry, and the ministry, for its part, demonstrates openness in providing information requested by the committee.

As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee, to ensure they are confident the ministry will spend those dollars appropriately. In the past, members have asked questions about the delivery of similar programs in previous fiscal years, about the policy framework that supports a ministry approach to a problem or to service delivery, or about the competence of a ministry to spend the money wisely and efficiently. However, it must be noted that the onus is on the member asking the question to make the questioning relevant to the estimates under consideration.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may at the end of your appearance verify the questions and issues being tracked by the research officer.

Any questions before we start?

I will note that Mr. Coe has asked that people speak into their microphones. He has a slight hearing disability and would prefer that you do that. So again, just be cognizant of your microphones.

I am now required to call vote 1001 of the estimates, which sets the review process in motion.

We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally among the three parties.

Minister, the floor is yours.

**Hon. Mitzie Hunter:** Thank you, Madam Chair. I'm pleased to be here today to discuss the 2016-17 estimates for the Ministry of Education.

I'd like to introduce some members of my senior team and ministry officials who are accompanying me today: the Deputy Minister of Education, Bruce Rodrigues; Bohodar Rubashewsky, assistant deputy minister, corporate management and services division; Shannon Fuller, assistant deputy minister, early years division; Andrew Davis, assistant deputy minister, education and labour relations; Joshua Paul, executive director, fiscal and financial planning, financial policy and business division; Janine Griffore, assistant deputy minister, French language, aboriginal learning and research division; Denise Dwyer, assistant deputy minister, leadership and learning environment division; Martyn Beckett, assistant deputy minister, learning and curriculum division; Cathy Montreuil, who is the assistant deputy minister for our student achievement division; and Grant Osborn, director of capital policy and programs branch.

It's my privilege as well to be joined by our Associate Minister of Education, Indira Naidoo-Harris.

It's a privilege to work with these incredible individuals and with a ministry that is focused on education and focused on student outcomes, student achievement and student well-being. I want to thank all of our team for their hard work and their commitment.

Ontario is a leader in education. Since 2003, our province has made great progress in helping more students to succeed and reach their full potential. Together with our many stakeholders, we have transformed Ontario's education system into one of the best in the world. This success has garnered our province a reputation for innovation and excellence. Time and again, international studies have shown this, and scholars from around the world have visited Ontario to learn from our success.

It's important to celebrate our progress, and I'm proud to say that our government's investments in education

have delivered tremendous results. Ontario high school students are now graduating in record numbers with the skills and the knowledge that they need to succeed and compete in the global economy.

In 2015, 85.5% of high school students earned their secondary school diploma, an increase of 17.5 percentage points since 2004. This means that an additional 190,000 students have graduated who would not have done so had the rate remained at the 2003-04 level. That is more than the population of Greater Sudbury.

In 2003, only 54% of grades 3 and 6 students were achieving at or above the provincial standard in EQAO province-wide assessments. In 2016, overall results showed that 71% of grades 3 and 6 students are achieving at or above that standard. This represents a 17-percentage-point increase since 2003. That means over 150,000 more students are performing at or above the provincial standard than were in 2003.

The 2012 Programme for International Student Assessment, PISA, found that Ontario's 15-year-old students are continuing to perform above the OECD average in every category. In fact, Ontario performed significantly higher than 52 other jurisdictions on the paper-based math assessment.

The results of the Pan-Canadian Assessment Program in 2013 show that Ontario's grade 8 students were the second-highest-performing jurisdiction in science, were the only group to perform at or above the Canadian average in all three areas of math, reading and science, and were first when it came to reading—the only students to perform above the national average in that area.

Results of the 2011 Progress in International Reading Literacy Study show that Ontario's grade 4 students performed near the top in the world in reading achievement.

Ontario's students have sustained their high level of performance in reading since 2001 and have narrowed the gender achievement gap.

The reason for much of this success is because our government has, since 2003, focused on innovation. On a broad level, we have pursued an agenda of whole-system reform, including establishing clear educational goals, setting ambitious targets, and providing support and resources to the leadership in the system. Throughout most of the last decade, we have focused on three goals for education: improved levels of student achievement, reduced gaps in student achievement, and increased public confidence in publicly funded education.

Not content to rest on our laurels, as the Premier often says, in April 2014 the ministry launched its renewed vision for education, entitled Achieving Excellence. Those four key goals are: achieving excellence, ensuring equity, promoting well-being, and enhancing public confidence. These goals will continue to guide and focus our efforts to improve Ontario's education system for the next decade.

I'll speak more about our vision later, but now I'd like to talk about some of the work that we've done to support our youngest Ontarians.

We have worked extremely hard to transform early years education in Ontario to put children on a firm path

to lifelong success. Full-day kindergarten is now available to every four- and five-year-old in publicly funded schools across Ontario. The rollout of this innovative program was the single most significant investment we've made in education in a generation, and it has positioned Ontario as a leader in North America.

## 0910

Child care modernization is also one of our top priorities. In December 2014 we passed Bill 10, the Child Care Modernization Act, which enacted the Child Care and Early Years Act. This replaced the Day Nurseries Act and the outdated legislation that previously governed child care in Ontario. This strengthened government oversight of the child care sector and increased access to safe and high-quality child care.

Since then, new regulations under the Child Care and Early Years Act have been filed under a three-phased approach. In August 2016, we filed a regulation to end fees for child care wait-lists, to make life easier for families. The ban took effect on September 1, 2016, and prevents licensed child care centres and home child care agencies from charging fees or requiring deposits to join child care wait-lists.

As part of our innovative approach to education, we've also focused on better ways of teaching our students the basics of literacy and numeracy, and we've worked to develop their higher-order skills and competencies. As a result, creativity and critical thinking skills are encouraged in all aspects of our curriculum.

This summer I was visiting a girls camp. It's called Ladies Learning Code. I remember meeting a 12-year-old young woman. She lives in the Regent Park community and she was so excited. She said to me, "I can't wait to get started." I said, "Start what?" She said, "Coding for the first time. I've wanted to do this for so long." That's the kind of excitement and engagement that we're seeing in Ontario students.

This means that rather than just teaching students to remember information, we've been teaching them how to use the information to solve problems.

Ontario has also been a trailblazer in offering students opportunities to gain real-life, hands-on experience in the workplace. Our co-op program was one of the first out there. It allows high school students to combine classroom and workplace learning. Students gain valuable work experience while earning credits towards their high school diploma.

The groundbreaking Specialist High Skills Major program lets students focus on a career path that matches their interests and skills while they work towards their diploma. When we launched the Specialist High Skills Major back in 2006, 600 students enrolled in the program. This year, more than 48,000 students are enrolled. High school students can major in one of 19 economic sectors like aviation, information and communications technology, hospitality, energy, the environment and more.

As well, dual credits keep students engaged by allowing them to earn credits that count towards their diploma

and towards apprenticeship training and college. Starting this year, about 22,800 high school students are participating in Dual Credit Programs at school boards and colleges of applied arts and technology.

All of these innovations have made a clear and positive impact on our education system and our students.

But while we have much to be proud of, now is time to build on those experiences and successes.

Education is one of the cornerstones of Ontario's prosperity, and we are committed to supporting the education system with increased funding for this school year. That means an investment of about \$22.9 billion for the 2016-17 Grants for Student Needs—an increase of approximately \$300 million since last year. School boards are still benefiting from a strong GSN that has increased by \$8.5 billion—or 59%—since 2003.

Even though enrolment has declined across the province, students are still benefiting from per pupil funding of \$11,709, an increase of \$4,508—or almost 63%—since 2003.

Since 2013, we have held extensive consultations with school boards and other education stakeholders to seek advice on education funding issues and school board efficiencies and modernization. These consultations resulted in significant changes to GSN funding.

An important part of education funding is capital investments. Since 2003, we've invested more than \$15 billion in school infrastructure, including nearly 760 new schools and more than 735 additions and renovations.

It's really wonderful for me, as Minister of Education, to go into schools. I try to get into schools at least once a week. Whenever I go to a school and there's an addition or it's a new school, you can really see the excitement and anticipation on the faces of the administration, the school board leadership and, of course, our students.

I remember being in Barrie to talk about a major extension we were doing to that high school, and a couple of things struck me with the location. The principal, as they were walking me through the school, said that with the additional funding we were providing for school renewal, they were not only building the addition, but they were also able to connect the addition to the older portions of the school so it's one unified whole. In essence, they were able to paint the hallways so that all students felt they were in an environment of well-being.

I also talked to the school facilities workers, and they were telling me that the open glass looking out on to the construction was inspiring students to inquire about engineering and trades and types of employment. So it was actually a form of experiential learning as they were seeing their new school addition come to life right in front of their eyes.

Over the next 10 years, the province plans to provide school boards with more than \$12 billion to help build new schools in areas of high growth, invest in projects to reduce surplus spaces through school consolidations and improve the condition of existing schools.

Wise capital investments are key to a strong, vibrant and sustainable education sector. So are the employees

who work in our schools and the contract negotiations we have with them. In 2015, we reached negotiated central agreements under the School Boards Collective Bargaining Act with all nine teacher and education worker tables. To build on the success of this first round of bargaining under the School Boards Collective Bargaining Act, we committed to a consultation with our partners to review the act to see if there were future improvements that could be made to the process. The results of that consultation were released in July 2016, and we committed to review all of the input provided through this process.

I know that all the parties involved are committed to meaningful and collaborative collective bargaining and to continue to work together to be the world's best education system.

Funding for child care modernization also remains a priority for our government. In 2016, the ministry is providing over \$1 billion to 47 municipalities. This is an increase in overall funding of \$16.3 million, or approximately 1.5% over last year. The ministry has also allocated \$27.7 million in 2016-17 for child care in First Nations communities.

Since 2003, we've doubled child care funding to more than \$1 billion per year.

Since 2003, our government has supported the creation of nearly 351,000 licensed child care spaces, an increase of 87% over that same period. In the recent throne speech, we made a historic commitment to create an additional 100,000 licensed child care spaces within five years.

Ontario is also investing \$269 million over three years to increase wages for child care professionals in licensed settings.

We also banned the unfair practice of charging parents for child care wait-list fees. I know the Associate Minister of Education is going to have more to say on this very important initiative.

0920

Our government also wants to make sure that Ontario families have access to the services they need where they need them. That's why we're integrating and transforming Ontario's child and family programs into a suite of services and supports known as the Ontario Early Years Child and Family Centres. I hope you've all visited the early years centres in your communities, because they are wonderful, welcoming places for children and for families. These centres will support children and families across the province in accessing local, high-quality, early years programs and services. We're engaging with our early years partners to inform this transition process, to enhance services and to minimize service disruption for families.

We're committed to improving indigenous education in Ontario, improving student achievement and well-being, and closing the achievement gap between indigenous students and all students. We're also working with indigenous partners to enhance the curriculum in order to support mandatory learning on residential schools, the legacy of colonialism and the rights and responsibilities we all have to each other as treaty people.

We know that we've just wrapped up Treaties Recognition Week in Ontario. It was such an incredible experience going into classrooms and seeing children engaged in their knowledge around treaties, doing research, talking to each other and having this deep learning and conversation around our indigenous partners. I remember speaking to a young boy in a classroom. He said to me, "I've learned more in three weeks than I have in three months," because he was so engaged in the learning. These are the types of improvements that we need to make by working together with our indigenous partners.

In 2016-17, the First Nations, Métis and Inuit education supplement of the Grants for Student Needs is projected to be \$64 million. This is an increase of nearly 430% since the grant was introduced in 2007-08. Investments will also help to ensure there is a dedicated aboriginal education lead position in every school board.

It was wonderful, MPP for Kingston and the Islands—we visited one of the aboriginal learning centres in Kingston. It was a moving experience to really see how the students were engaged. Every day they showed up to that learning centre. They had built what is called a medicine wheel on the compound and every morning they would do smudging. It was such a wonderful space. They told us that they felt safe, they felt included and that they felt they belonged. It's really wonderful to see that type of engagement in a space that's dedicated to our indigenous students.

Our government is committed to maintaining and expanding a dynamic, accessible and high-quality French-language education system. Enrolment at French-language school boards for the 2016-17 school year is projected to be more than 104,000 students, including full-day kindergarten. French-language school boards are projected to receive \$1.58 billion in 2016-17. Since 2002-03, annual funding for French-language school boards through the Grants for Student Needs has increased by \$820 million, or 109%. In July 2016, the government announced an additional \$62 million for French-language school boards across Ontario over the next two years to repair and renew schools, to ensure that they will continue to be safe and modern places for students to learn.

Since 2004, our government has invested more than \$550 million to support school boards and communities to create safe and inclusive schools by funding programs such as bullying prevention and intervention programs, as well as adding staff to schools, including child and youth workers, social workers and psychologists. In 2016-17, Ontario will invest an additional projected \$65 million to help create safe and inclusive schools.

On September 1, 2012, the Accepting Schools Act, Bill 13, came into force and created legal obligations for school boards to take measures to prevent and address inappropriate student behaviour, including bullying. The Accepting Schools Act is part of the ministry's Comprehensive Action Plan for Accepting Schools. When introduced, it was the first legislation of its kind in Canada.

Our government is committed to providing the right supports to children, youth and their families when they need them to enable positive mental health and well-being. We continue to build on the first three years of Open Minds, Healthy Minds: Ontario's Comprehensive Mental Health and Addictions Strategy, expanding it to include improved transition between youth and adult services, people with addictions and adults. As part of this strategy, we continue to fund mental health leaders in all 72 district school boards, and one shared resource for the four school authorities.

As part of the strategy, the Ministry of Education is also working with district school boards and school authorities to equip educators with the tools and knowledge they need to identify potential child and youth mental health and addictions issues and intervene effectively.

Our government's investments started in 2011-12 and totaled \$257 million over a three-year period. More than 50,000 Ontario children, youth and their families will have quicker and easier access to the right mental health and addictions supports as part of the strategy. The expanded strategy included additional investments growing to approximately \$83 million annually by 2016-17.

Our government is also committed to ensuring that school boards have the resources they need to deliver high-quality programs and services for students with special education needs. The Special Education Grant in 2016-17 is projected to be approximately \$2.7 billion. This is an increase of almost \$1.14 billion, or 70%, since 2002-03.

We continue to work with our stakeholders on the development of effective and efficient measures for special education funding that reflect the variability of students' needs among boards.

I visited one of our schools for the deaf over the last few months, and it was really incredible, first of all, to see the students and how engaged they were in learning and in their learning environment. But one student really stood out for me, a kindergarten student; her name is Zoe. Zoe was learning to communicate in multiple languages. She was so engaged in her learning. Her kindergarten teacher had used an inquiry method, and the students had gone on a field trip. Zoe was learning to communicate about her own life, and she was so engaged. She was literally jumping out of her skin and so excited to share information about her own life in multiple languages. I was very, very proud to see the commitment of our dedicated teachers, but also to see that engagement in learning from our students.

As I mentioned earlier, we have made tremendous progress in education since 2003. But one of the most significant challenges and opportunities before us is how best to prepare our students for this new technology-driven, globalized world. That's why our government released Achieving Excellence: A Renewed Vision for Education in Ontario, in April 2014. Working with our many partners in education, we are transforming our system to deliver responsive, high-quality and accessible services and programs that are integrated from early learning and child care through to adult education.

0930

As I also mentioned earlier, for the last 13 years we have focused on three core goals, and as part of our renewed vision for education, we've added a fourth goal: achieving excellence, ensuring equity, promoting well-being, and enhancing public confidence.

I'd like to take a moment to share with you some of the key examples of where we've made progress in implementing our renewed vision.

To help us achieve excellence, we continue to keep our focus on math supports for teachers and students through our renewed math strategy. We're investing more than \$60 million to implement the strategy. Starting this school year, teachers in grades 1 to 8 are spending protected blocks of time every day to focus on effective instruction in math. Other key elements of the strategy include up to three math lead teachers in all elementary schools and more opportunities for educators to deepen their knowledge in math learning, teaching and leading, including a dedicated math professional development day.

In today's new global economy, in this fast-paced, technology-driven world, students must have a wide range of skills and knowledge to succeed, and a strong foundation in math is needed for each of them to reach their potential.

**The Chair (Ms. Cheri DiNovo):** Minister, you have just about two minutes left.

**Hon. Mitzie Hunter:** Okay. And this is also why, as part of Ontario's Highly Skilled Workforce Strategy, the Ministry of Education will be leading the implementation of a number of recommendations, such as expanding the Specialist High Skills Major programs and increasing experiential learning and career opportunities.

Of course, developing tomorrow's workforce requires the partnership of government, school boards, communities, business, industry and more. It is by working in partnership with our many stakeholders that Ontario will continue to help people gain the skills they need to get a good job and help ensure our province remains competitive.

Thanks to our collective efforts, Ontario is also a world leader in ensuring equity, which I'd like to remind you is one of the key goals of our renewed vision.

We continue to focus on increasing graduation rates and closing achievement gaps for under-represented groups such as indigenous students, teen and young single parents, and students in the care of children's aid societies, among others, through innovative pilot programs that address the needs of these vulnerable learners. To better support our adult learners, we are moving forward with a new Adult Education Strategy.

To help promote well-being, we released a current, relevant and age-appropriate health and physical education curriculum. Earlier this year, we released Ontario's Well-Being Strategy for Education: Discussion Document. This strategy builds on the outstanding work that we know happens every day across the province. Through this strategy, we will continue to align and

integrate existing work in education, including the four key areas of: mental health, safe and accepting schools, healthy schools, and equity and inclusive education.

We are further enhancing public confidence by securing the fiscal sustainability of our publicly funded education system.

**The Chair (Ms. Cheri DiNovo):** And I'm afraid that is it, Minister.

**Hon. Mitzie Hunter:** I just want to say, Madam Chair, that education is one of the most valued—

**The Chair (Ms. Cheri DiNovo):** I'm sorry. Your time is up. You will have another opportunity.

We now move to the official opposition. Mr. Smith.

**Mr. Todd Smith:** Welcome to estimates committee, Minister, Associate Minister and all of the staff from the Ministry of Education. Good morning, and thanks for your 30 minutes. You paint a rosy picture in education. However, I can tell you that, being one of our education critics, along with my colleague from Whitby-Oshawa and the leader of our party, Patrick Brown, we certainly are hearing a different story than the rosy picture you're painting this morning. You talked about the wall in that school that's been painted to brighten up the school. That's kind of like, I think, what you're doing here this morning: painting a rosy picture when maybe there are some deep, deep problems in our education system in Ontario.

I know that when I speak to those who are working in our education system, morale is extremely low for teachers. I had the opportunity last week to meet with the president of my Elementary Teachers' Federation of Ontario local, Dave Henderson. We talked about a lot of the issues facing our elementary teachers, the hardships they're facing in their classrooms and the lack of support that they believe exists in the system right now as well.

Parents are extremely frustrated. Their children are coming home with work that they just simply can't help them with. Their children are falling further and further behind, and there just seems to be a lack of accountability on the Ministry of Education's part.

Communities are concerned. We've been hearing of numerous communities—particularly in rural Ontario, but there are many urban communities as well—that are seeing schools close, and they have serious concerns about the impact that those school closures are going to have on their communities.

The students are failing. My colleague from Whitby-Oshawa, Mr. Coe, has talked to many of our post-secondary institutions, and the students who are arriving at college and university are ill-prepared for the challenges they're facing at post-secondary institutions. That's causing problems, of course, for the students, and it's also causing problems for the post-secondary institutions.

So while you paint a pretty picture of education, there are certainly a lot of issues there.

We just have to look at the recent EQAO grade 3 math results, which clearly shine a light on the fact that there are huge failings when it comes to the math curriculum

for our elementary school students. I'm sure you would agree. You've talked about some programs that you're bringing forward to try to correct this. Our students are failing when it comes to math, and I think we need to highlight that fact. They are failing, not meeting the provincial standards, when it comes to math.

Our teachers are less safe in their classrooms. That's what they feel. In my meeting last week with the Elementary Teachers' Federation president, he told me about how unsafe teachers are feeling in their classrooms because they don't have the support.

This government continues to talk about the millions and millions of dollars that they're spending in education, but those who are working in the system aren't seeing the fruits of that money. They're not seeing the money making it to where it needs to make it to make the school experience better. So while you continue to talk about the fact that there is money continuing to be put into the system, it's not resulting in a positive outcome for the students or the teachers who are working in the system.

We have a lot of questions when it comes to the math tests, but the one thing that really bothers me—and I know there was a release that came out from your office last week, Minister. It is Financial Literacy Month, and there was a press release that came out about the fact that financial literacy is important. I think it's one of the areas where we're really seeing kids being pushed through the school system without learning their math properly. They have no comprehension of financial literacy. They have no comprehension of how to balance a budget.

Let me just tell you a brief story. This is the story of my daughter who is in grade 11. Last year, in grade 10—she's attending Bayside Secondary School in the Belleville area. She had no idea about financial literacy until she decided to take a French program, which was a business program. It wasn't a mandatory program; it was an elective. That's where she learned about financial literacy. She says that was the best course she has ever taken in her 11-year school career, because it actually taught her financial literacy.

How do you feel the government is meeting, or not meeting, those financial literacy requirements that our kids really need when they enter the real world?

**Hon. Mitzie Hunter:** Thank you so much for that question. I will turn to the deputy to provide details, but first I want to say that we recognize that our Ontario curriculum must meet the needs of our 21st-century learners. We introduced financial literacy across the curriculum. This is a standard of OECD countries: to ensure that it shows up across the curriculum. So from grade 4 to grade 12, we have financial literacy. It could appear in a variety of different ways. It could appear in a history course, in a math course, in a social studies course.

0940

We also recognize that more needs to be done—exactly as the experience that your daughter had—where there's more of a concentrated, mandatory way to teach financial literacy. That's exactly why our grade 10

careers course will be revised to have a mandatory component for financial literacy.

I do want to turn to the deputy to talk about—

**Mr. Todd Smith:** Before you turn to Mr. Rodrigues, that program will be a mandatory program?

**Hon. Mitzie Hunter:** That's correct.

**Mr. Todd Smith:** So you feel that it's mandatory, then, that our children have financial literacy? Because right now it's not mandatory.

**Hon. Mitzie Hunter:** Right now it's integrated across the curriculum in grades 4 to 12, which is exactly the OECD standard in terms of delivering that program. We will be adding to that in Ontario by creating a mandatory component.

**Mr. Todd Smith:** So just before we get to Mr. Rodrigues—again, I'd like to just continue with you for a moment, and then we'll allow Mr. Rodrigues to talk about the new program that's available.

It's extremely important, and there are cynics out there who would say, "Hey, listen, the Liberal government doesn't want the kids to understand how finances work." I know that in my daughter's case and in many other students' cases, it was in that French program, that business program, that they learned about a deficit. It's where they learned about balancing a budget. It's where they learned about debt. It's where they learned about the difference between a credit card and a debit card: A credit card is spending money you don't have; a debit card is spending the money you do have. All of these types of programs are so important for children—even how to make change.

I just want to ask you if you would agree: Do you feel right now that our kids that are graduating—and I'm sure there are some great kids. You talked about some great kids out there who understand the math curriculum. But there are obviously many, many who don't, given the EQAO testing that exists. Do you feel that our kids that are graduating from high school are better prepared now than they were?

**Hon. Mitzie Hunter:** Madam Chair, I would like Mr. Rodrigues to address the question—

**Mr. Todd Smith:** I would just like you to answer that.

**Hon. Mitzie Hunter:** Because we've been asked a series of questions and I want to make sure we—

**Mr. Todd Smith:** I just want you, Minister, to answer that question. Mr. Rodrigues is fine, but I'm asking you the question. Do you feel that our kids right now are better prepared to enter the workforce?

**Hon. Mitzie Hunter:** I just want to make sure we address the questions, and I would like to—

**Mr. Todd Smith:** Yes, and the question is for you. I'm not asking Mr. Rodrigues; I'm asking you as the Minister of Education.

**Hon. Mitzie Hunter:** His mike isn't working.

**The Chair (Ms. Cheri DiNovo):** It's the minister's prerogative here.

Mr. Rodrigues, could you state your name and your position as you answer?

**Mr. Todd Smith:** I just want to say clearly that it doesn't seem like the minister is ready to say that our

kids are better prepared to enter the workforce or to enter college or university than they were, because she's not prepared to answer that question.

**Mr. Rodrigues:** let's hear from you. Do you believe they are?

**Mr. Bruce Rodrigues:** Bruce Rodrigues, deputy minister.

MPP Smith, the straightforward answer to your question is yes. I am a former math teacher. I came through the system and taught financial literacy and math courses. I would unequivocally suggest to you that, yes, students are better prepared today than they were, I would say, even 10 years ago, around the whole issue of financial literacy. It is in the curriculum and, as your daughter has experienced, certainly in terms of the business side for the French school, there is a business course in the French-language-speaking schools that do teach that. There are also courses in—

**Mr. Todd Smith:** Can I stop you? Is that a mandatory course or an elective course?

**Mr. Bruce Rodrigues:** In the French school?

**Mr. Todd Smith:** Yes.

**Mr. Bruce Rodrigues:** Not mandatory. Same with the English schools. Well, financial literacy is included in the program in the grade 9 curriculum, in the grade 10 curriculum and in the grade 11 curriculum as well. It is specifically included for students that study both at the applied level and at what we call the C courses or the M courses in grade 11 at the college level. There are also accounting courses that are non-mandatory courses that can be taken both in grade 11 and in grade 12. Also included in that are economics courses that can be taken both in grade 11 and in grade 12. So there are a series of courses that can be taken.

The “mandatory” part to your question are units of study that exist both in the grade 9 curriculum and in the grade 10 curriculum that speak to financial literacy. But more specifically in terms of what we’re attempting to do with the mandatory piece in the careers course that will be forthcoming is to be more focused in terms of being strategic in terms of what needs to be taught.

What you’ll find often is that students get deep, complex thinking around financial literacy—things like amortization and so on and so forth—that might not be necessary for all students to understand broadly. But those issues that you have already addressed in terms of credit cards or understanding of debt or deficit, or even planning around buying a car, for example—those particular pieces that currently exist in the curriculum will be mandatory for students to sort of understand as we move forward.

**Mr. Todd Smith:** That’s very important. It’s just too bad that it’s taken this long to make those mandatory.

Mr. Coe has some questions about the math as well.

**Mr. Lorne Coe:** Yes, just through you, Chair—and for full disclosure, my daughter is a teacher with the Durham Catholic District School Board, for the record.

On the math strategy—welcome, Minister, and Associate Minister and Deputy Minister—what is the govern-

ment doing? What approach is it using to measure the strategy, to determine the effects of it? Minister?

**Hon. Mitzie Hunter:** Sorry, I thought you were going to ask a specific part of that question.

Math and numeracy skills—we see that as very important. The Premier’s Highly Skilled Workforce Expert Panel reported out in the summer—they really looked at the importance of focus on those types of skills, in terms of math and numeracy skills. We recognize that we want Ontario students to be well prepared for the 21st century. What we’re looking to do, in terms of the renewed math strategy, is really replicate the success that we had in focusing on the literacy strategy, where all students will receive the supports that they need.

In our elementary curriculum, we would have protected minutes each day for math. That will allow teachers to be able to get through that curriculum. They will be able to get through all aspects of the curriculum by having that protected time each day.

We also want to ensure that teachers receive the professional development that they need. We have a dedicated PD day for math. We also are ensuring that elementary schools have math leads, so that the entire school community is working together to boost their outcomes in math.

We also want to ensure that parents—and that’s an important part of this, because as our students come home we want parents to have resources. We have resources online for parents. Also, through our partnership with TVO and TFO, we have Homework Help, where we have certified instructors who are available online to assist students and their parents. We also have SOS Devoirs for TFO.

We are ensuring that at all points students are receiving the supports that they need. We also want to create a bit of excitement around math education, because—

**Mr. Lorne Coe:** Minister, I’m going to stop you there. Through you, Chair, I want you to speak specifically, please, Minister, to how you are evaluating the strategy. Could you speak to the methodology, please? I’d like you to speak to that, please.

**Hon. Mitzie Hunter:** Sure, and I have the Deputy Minister of Education here, whom I will ask to speak to the specifics about that.

But I want to make a point that’s really important. We hear about our math scores and we’re concerned about the decline in our EQAO math scores. We’ve stepped in with \$60 million in our renewed math strategy. We’re very confident in that strategy. There’s a lot of excitement across the education system about math. I go into schools each week. I see students learning math, from kindergarten all the way up through to grade 12. We want to see those outcomes boosted. But when we look at our PISA scores and our international comparators—Ontario’s math scores against our peer jurisdictions—we are holding very strong. So I want to let you know that that is something that is happening. But we see a general decline.

Deputy, if you could talk about the measures?

**Mr. Lorne Coe:** Deputy, before you answer, can you speak please—and through you, Chair—to the specifics of how you evaluate the strategy? Also, in the context of answering that, provide me with some details of the framework of the strategy.

**Mr. Bruce Rodrigues:** Sure. One of the key measures, MPP, is around the EQAO scores, to begin with. That's a key measure. The reason that I cite that initially is because it is a curriculum measure. If the strategy is specifically around financial literacy, for example, if that's what you're referring to, or math in general—

**Mr. Lorne Coe:** The math strategy.

0950

**Mr. Bruce Rodrigues:** The math strategy in general—

**Mr. Lorne Coe:** Yes.

**Mr. Bruce Rodrigues:** —not financial literacy. Okay. So let me just speak to the math strategy in general.

In terms of the math strategy, one of the pieces we've noticed and the reason we've gone there is because EQAO assessments are 100% curriculum-based. What we try to attempt to do from that particular vantage point is to try and determine those strands of cognitive skills that students are having difficulties with and, in doing so, really address that through the strategy.

What we found is that contrary to popular belief, the public discourse is around "back to the basics," and it's not about "back to the basics" that we're really evaluating, because when we try to understand what's meant by "back to the basics," people are really illuminating us with this notion that it's computational analysis of times tables, generally 1 times 1 to 12 times 12, which is what you and I probably kind of—so when students are asked, "What's 13 times 14?" they struggle to provide a response to that.

What we're trying to do is, working through the EQAO scores to try and determine what exactly those areas are that need to be addressed. Specifically, what we've determined is that it isn't about computational analysis; students are very good at computational analysis generally. What they struggle with is two things: one is context, and the other one is application. What we're trying to do within the math strategy is to address those two particular things: the understanding for students to understand context, and the understanding that students will have in terms of application.

What I mean specifically by that is that if a student is given two numbers, they will do anything with those two numbers—what's more important is that when they arrive at a solution or a particular answer, so to speak, they need to understand what that says or does. For example, if you ask a student about the height of a human being, they might end up coming up with an answer of 15 metres, and they have no understanding that the context of that would be incorrect.

So in terms of the evaluation of the strategy specifically, what we're trying to do is, we're trying to get to those areas that students struggle with most and then really target the strategy to address those particular areas.

It will be an ongoing piece because it will be dynamic. We know where we stand right now, but as we unfold the strategy and get better at it, we'll be able to address that more specifically and be more focused in terms of what that will do.

**Mr. Lorne Coe:** Thank you for that answer. Through you, Chair, what's clear in your answer is that an evaluative process is in place. It's been ongoing for quite some time. Would you be able to share the reports from that evaluative process with this committee?

**Mr. Bruce Rodrigues:** It is in the public domain already. It's posted on the EQAO website.

**Mr. Lorne Coe:** So, through you, Chair, if we could please have those evaluative reports on the math strategy shared within the committee and have that reflected in the record.

A supplementary question through you, Chair, to the deputy minister: Deputy, who within the ministry, what branch is responsible for differentiating that the accountability within the civil service in education is with you—who is responsible? What department is responsible for the implementation of the math strategy and the implementation of the framework of that math strategy and the evaluation of it?

**Mr. Bruce Rodrigues:** It would be the student achievement division under ADM Cathy Montreuil.

**Mr. Lorne Coe:** And that's carried out 100% within the civil service? It's not been contracted out?

**Mr. Bruce Rodrigues:** That is correct.

**Mr. Lorne Coe:** Thank you.

**The Chair (Ms. Cheri DiNovo):** You still have 10 minutes left.

**Hon. Mitzie Hunter:** Chair, I would just like to also say, in response to MPP Coe's question of responsibility, that the work we do in the Ministry of Education very much is in partnership with all of our education partners. Our 72 school boards across the province are responsible for the implementation and delivery of those strategies and that curriculum. Of course, that flows through to our directors of education and all of our principals, vice-principals and teachers in the classroom. That partnership and that relationship is incredibly important.

I know that MPP Smith had talked about teachers and how they are feeling. I think it's important that we talk about that, because the relationship we have with our education partners is critical. It's important that they feel supported, that they're getting that training, that support to deliver education programs in this province, and to make sure that there's a sense of well-being in the schools.

Just last week, I was with over 500 of our education partners right across this province, and we were focused on the area of equity and well-being, because we recognize that in order for student well-being to be focused on, the whole school environment has to have that concept of well-being and supports for our teachers and our educators and all of the education partners. The whole school community is involved in the delivery of education.

**Mr. Todd Smith:** Let me ask you a question, Minister, about the PD days, the professional development

days. How many of them now exist in Ontario school boards?

**Hon. Mitzie Hunter:** Deputy?

**Mr. Bruce Rodrigues:** I believe there are six.

**Mr. Todd Smith:** Six PD days?

**Mr. Bruce Rodrigues:** That's correct.

**Mr. Todd Smith:** My question is, who is determining—seven, I guess. I'm getting the nod there are seven—

**Mr. Bruce Rodrigues:** Yes, seven, because there's a new one that was just added.

**Mr. Todd Smith:** Okay. It was a fog day in much of Quinte today—so who knew?

A PD day is very important in helping to build morale with our teachers and our educators. However, from what I've been able to ascertain from those who work in education, the PD days vary greatly from school to school and school board to school board. What role does the ministry have to play in determining what is taking place on these PD days?

**Hon. Mitzie Hunter:** Go ahead, Deputy.

**Mr. Bruce Rodrigues:** Again, MPP, to your earlier point where you spoke about having a conversation with the ETFO representative and the difficulty that they sometimes experience—in order to address that, one of the things that we've provided them with is an opportunity for elementary teachers to do their report cards. So the reporting piece of achievement was also provided, and they really wanted that and accepted that. So that's one of the things. That's universal across the province, in all of the elementary schools—72 boards have an opportunity to do that particular piece. In other cases, the ministry has identified those areas that are specific to our mandate, in order to have schools address that particular piece. For example, concretely, there will be a day dedicated to the math strategy. In the past, we had a day that was dedicated—

**Mr. Todd Smith:** For all teachers?

**Mr. Bruce Rodrigues:** For all teachers, yes.

**Mr. Todd Smith:** So even teachers who aren't teaching math are required to go to the PD day for math?

**Mr. Bruce Rodrigues:** Numeracy would be across the curriculum, and we would see that as being advantageous for all teachers. When we implemented the literacy strategy, we had that, as well, as part of that. We found it to be very helpful in moving the needle forward in the literacy piece. We hope to mimic some of those good strategies, the promising practices that were part of those strategies, in order to do that in numeracy as well.

**Hon. Mitzie Hunter:** I want to say that these investments that we're making in professional development for our teachers—it's extremely important that we attract the best people to education, and I believe that we do. I believe we have some of the most outstanding education professionals in the world.

Thousands of people come to Ontario each and every year to visit our schools, our school boards, our ministry, to find out how we're teaching education in Ontario and to learn from us. A big part of that is the great quality of

our teachers and the investments that we make in our teachers and the collaborative way in which we deliver education here in Ontario.

**Mr. Todd Smith:** It's very anecdotal, but I hear from teachers all the time who say that morale is at an all-time low in the classroom right now. In the school, they don't feel there's that support from administration. And the administration would say, "We don't feel we're getting that support from the school board." And the school board would probably say, "We don't feel like we're getting the support from the ministry." Is that something that you've been hearing, as the Minister of Education: that there is an all-time low when it comes to morale?

**Hon. Mitzie Hunter:** I visit schools. I try to do that each and every week. I've visited many, many communities. I hear how hard everyone is working on behalf of students and that learning outcome for each individual student.

**1000**

I spoke to a kindergarten teacher just this week at the People for Education conference that was happening on Saturday at Rotman. She was so appreciative of the changes we've made to the kindergarten curriculum. What she said was that it was a recognition of the work that they were doing, and it was now recognized through the changes that we've made to strengthen that curriculum. We have 260,000 full-day-kindergarten children coming each school year. Having the early childhood educator as a team approach in that classroom—how important that is, and using inquiry-based learning and play-based learning and how that is boosting the skills and making sure that those young learners are ready and prepared for grade 1.

MPP Smith, I know that we oftentimes look for areas of disagreement, and I think that this is one area that Ontario leads pretty much the world in terms of our investments in education and always setting that bar of how we can improve, how we can make it better, how we make those investments in our educators.

**Mr. Todd Smith:** Yes, and I'm channelling the concerns that are being raised by educators in my riding and educators across the province. They're bringing these issues to me and they want me to ask you these questions at estimates committee. That's why we're here doing that.

If I could just go back to the PD days again, there are seven PD days—

**The Chair (Ms. Cheri DiNovo):** Mr. Smith, you have just over two minutes.

**Mr. Todd Smith:** I thank you for that.

There are seven PD days. How many of them would be mandated from the ministry: "This is what you're doing on this particular PD day"? You mentioned that some days you are permitted to do your report cards, but what are the mandatory—

**Hon. Mitzie Hunter:** I'm going to look to the deputy to answer, but the one thing I want to also say is that we work in partnership with our education partners—the teachers' federation, for instance. We work collaboratively—

ly on those professional development days for teachers. I just want the deputy to—

**Mr. Todd Smith:** In 90 seconds.

**Mr. Bruce Rodrigues:** Let me just say it in two ways. One is that, generally speaking, in terms of being directive, we often will provide directive to one of those days, but on all of those days the teachers are responsible for the PD around what our priorities are. So, for example, if teachers are working on assessment in general, that would be one of our priorities as well. They wouldn't be working outside of the ministry priorities on any of those days. All of those days would be directed in some way from our priorities, but in terms of providing a very specific direction—for example, whether it be mental health or math or whatever the case might be—generally one of those days is very specific in terms of what needs to be addressed, and sometimes two.

**Mr. Todd Smith:** We won't have time to discuss this, but I'll just prepare you for it for the next time we come around: One of the issues that I'm hearing from particularly elementary schools is the fact that teachers are continuously being pulled out of the classroom for PD, that teachers are being pulled away from their classrooms and they are finding it very difficult. The students are finding it difficult, the supply teachers are finding it difficult and the administration is finding it difficult because teachers are currently being pulled out. Is that something that you've heard is an issue in our elementary schools?

**Hon. Mitzie Hunter:** One thing I want to—because I see your interest in this area and the investments that we're making in the quality of our teaching, because that's what touches children—

**Mr. Todd Smith:** But it's happening during school hours, which is making the learning experience difficult, because a supply teacher—clearly nothing against the supply teacher, but a supply teacher clearly doesn't have the knowledge of the students that the full-time—

**The Chair (Ms. Cheri DiNovo):** I'm afraid, Mr. Smith, your time is up.

We now move to the third party. Ms. Gretzky.

**Mrs. Lisa Gretzky:** Thank you, Chair. Unlike my Conservative counterparts, I don't think our education system is all doom and gloom. I have two children. One has made it through the system and the other one is still currently in the system, and I see the incredible work that the front-line staff, the education workers, are doing. I think it's rather unfortunate that, although the minister has kind of touched on it a little bit at the end, in her opening remarks not once did she actually give credit to the people who are working with the students. She gave credit to herself and to the government for increased graduation rates and some of the initiatives that are going on in our schools, when really, they just hand that down to the education workers and the education workers have to juggle it all and actually make it work for our students.

So I want to start off by saying that I certainly appreciate the work that they do, what they've done for my children and so many others, and recognize that, as the member from the PC Party, MPP Smith, had pointed

out, morale is at an all-time low. If the minister is not aware of that, then she is completely out of touch with the people on the front lines of our education system.

She talked about meeting an FDK teacher who was happy and who was so excited about the curriculum—and many of them are excited about the curriculum—but, Minister, I had six kindergarten teachers in my office in tears.

I'm wondering if you are aware that there are kindergarten classrooms with 30-plus students in them. Many of them have special education needs that will not be identified in kindergarten; they'll get identified later on. Quite often, although the government likes to say that there is an ECE—so two adults in the classroom—quite frequently there are not two adults in a classroom of 30-plus kindergarten students. I'm wondering if you are aware of the fact that there are, in many kindergarten classrooms, 30-plus students. What is the ministry doing to actually cap the number of students and also support the teachers by making sure that the ECEs can spend the time in the classroom that they need to, that they have time to collaborate amongst the two professionals and share information about the students that they're both trying to serve? What are you doing to monitor the effectiveness of the kindergarten program and do the checks and balances and rejig it as necessary so that we're not finding classrooms of 30-plus kids?

**Hon. Mitzie Hunter:** Let me start by saying that I, as the minister, and our government, value the commitment and the hard work of all of our education workers, and that includes our teachers. It's something that I say all the time; I said that today in my comments. We know that in order to provide our students with one of the best education systems in the world, we must invest in our teachers. That's something that we remain committed to doing, we have done, and we will continue to do.

When we look at the full-day kindergarten and the over \$1 billion that we've invested in full-day kindergarten—over a million children have gone through that; 260,000 each September—this is an investment that we're very committed to making. Including the early childhood educator as part of that team is an important aspect of that, and it's one in which we collaborated with our education partners to realize.

I will speak to the issue of class sizes. I'd like the deputy to do that as well because I do think that it's important that we understand what that looks like.

What I will say is that we have made our commitments and investments to education a core part of our focus. I've talked about the graduation rates. I've talked about the achievements and the increases we've made to those investments, including in special education, where we're investing \$2.7 billion each and every year in special education. We know that more work needs to be done in that area so we're continuing to look at ways that we can innovate, that we can provide those additional supports to our teachers and our educators.

I want everyone to recognize that we see education as a key priority in this government, and the work that we do each and every day with teachers.

Whenever I visit a school, even if I'm there to see the grade 8s, I always drop in on the kindergarten class because it's really where we can see that commitment to learning from the teachers, from the ECE, and really from each and every child who is there. It's a great joy to see that.

I recognize that some teachers might want to see aspects changed. We're listening to that, but at the same time the broad-based investment that we're making right across this province is having an impact.

So, Deputy, if you could just talk specifically about the—

**Mrs. Lisa Gretzky:** Minister, you mentioned that you're looking at changes to FDK, that you've been talking to teachers and you're looking at changes. When would we see those changes in FDK classrooms? When can teachers—

**Hon. Mitzie Hunter:** I'm going to ask the deputy to speak to the question.

**Mrs. Lisa Gretzky:** —actually count on having a dedicated ECE in the classroom where they can stay in the classroom with the students? When are they going to see those class sizes shrink? When are they going to see the students that they know have special education needs actually begin to become identified and get the supports so that when they're officially identified, formally identified, later in their school career, they've already begun to get supports? When are we going to see those come to fruition, I guess, is what I'm asking.

1010

**Mr. Bruce Rodrigues:** We'll give you the specific details to your questions, MPP Gretzky, through ADM Fuller. She has some details in terms of what the class sizes are currently.

**The Chair (Ms. Cheri DiNovo):** Can you state your name please, and your position? Thank you.

**Ms. Shannon Fuller:** Good morning, Shannon Fuller, assistant deputy minister, early years division.

Last school year, our overall school-board-wide averages remained stable at approximately 24.8 kindergarten students per class, which is below the permitted maximum average of 26 children.

In terms of your question with regard to the impact that full-day kindergarten is having for students, we have conducted an evaluation of full-day kindergarten during the first two years of implementation. Our objectives were really to look at identifying early indicators of effective practices related to the full impact of full-day kindergarten and also, as you've raised, to inform program delivery in moving forward as we move to continue implementation.

We looked at both quantitative and qualitative evaluation methods, from data collection to case studies to phone interviews, online surveys and classroom observation, as well as focus groups across the province over that two-year period of time. We used the Early Development Instrument to measure student development. It looks at five key areas: physical health and well-being, social competence, emotional maturity, language and cognition, and communication skills and general knowledge.

The good news is that, overall, students that participated in full-day kindergarten are better prepared to enter into grade 1 and to be more successful in school. After one year of the traditional kindergarten program, approximately 16% of students were at risk in language and cognitive development, and after one year of full-day kindergarten, approximately 4% of junior kindergarten students were identified as vulnerable. After the two years in full-day kindergarten, students were showing reduced risks in communication skills and general knowledge, physical health and well-being, social competence and emotional maturity.

We have continued to look at research in evaluating the impact of full-day kindergarten and we do know, based on grade 1 and grade 2 report cards, students participating in full-day kindergarten are seeing results in language, reading, and math as well.

**Mrs. Lisa Gretzky:** Okay. I appreciate the answer, but the fact, is there are kindergarten classrooms, many kindergarten classrooms, with 30-plus students in them and not an ECE specifically dedicated to that classroom. They're often off having to do something else.

My other question would then be, because you talked about the average classroom—the average is 24 or less—are you aware of the fact that there are senior kindergarten/grade 1 splits, and often boards may move to that model in order to be able to keep the kindergarten class sizes within your average and also, in that process, eliminate the requirement to have an ECE in the classroom with the kindergarten students? So when—

**The Chair (Ms. Cheri DiNovo):** Ms. Gretzky, you have under two minutes left.

**Mrs. Lisa Gretzky:** Thank you. With an SK/grade 1 split, they're not required to have an ECE, so many boards are moving that way as a cost savings because they're crunched for money. So although your average may be 24, there are many classrooms that fall above that, and many boards, in order to meet that average, are actually moving kindergarten students into a grade 1 split.

Maybe someone from the ministry can speak to how you effectively deliver. We talk about how wonderful FDK is, and the curriculum for FDK, the program. Can you maybe get into the pedagogy and the delivery of the FDK program when you're looking at an SK/grade 1 split, because they are very, very different programs, very different pedagogy and very different ways of reaching the students? Can you explain to me how that works or how it's expected to work? In most cases, it's not really working because the SK students are not getting the programming they would if they were with their FDK counterparts.

**Hon. Mitzie Hunter:** Sure, and I would like the deputy and the ADM to answer that question.

I think that it's important that as we've implemented this very historic commitment of full-day kindergarten, we've also provided school boards with the necessary capital so that the kindergarten space can be accommodated for our youngest learners and—

**Mrs. Lisa Gretzky:** Minister, there's a difference between having the space for the children and the crunch in funding where boards are—

**The Chair (Ms. Cheri DiNovo):** I'm afraid that ends the morning session. We're in recess now until this afternoon at 3:45—and we will be back in this room, committee room 1. See you then.

*The committee recessed from 1015 to 1605.*

**The Chair (Ms. Cheri DiNovo):** Good afternoon. We are now going to resume consideration of vote 1001 of the estimates of the Ministry of Education. There is a total of six hours and 15 minutes remaining.

When the committee recessed this morning, the third party had 19 minutes left in their round of questions. Once the third party's rotation is complete, the minister will have 30 minutes for a reply. Are there any questions?

Ms. Gretzky, the floor is yours.

**Mrs. Lisa Gretzky:** Thank you, Chair. I'm going to pick up where I left off this morning. I have a question around the SK/grade 1 splits. I'd like to know how many SK/grade 1 splits there are in the province and then if there's a breakdown board by board.

**Hon. Mitzie Hunter:** Thank you. Deputy, I'll ask that you address that.

**Mr. Bruce Rodrigues:** Thanks, Minister.

*Interjection.*

**Ms. Shannon Fuller:** Hello. The number of—

**The Chair (Ms. Cheri DiNovo):** Excuse me, could you introduce yourself? Thank you.

**Ms. Shannon Fuller:** I'm sorry. Shannon Fuller, assistant deputy minister, early years division.

In 2015-16, there were 455 classes with at least one full-day kindergarten student and at least one grade 1 student. This represents 4.3% of all of our 10,627 FDK classes across the province.

**Mrs. Lisa Gretzky:** Okay. Do you have a breakdown board by board for SK/grade 1 splits?

**Ms. Shannon Fuller:** I don't have that with me right now, but we can endeavour to provide you with that information.

**Mrs. Lisa Gretzky:** I'd like to know how many FDK classrooms are over the average of, I believe it was, 24.8 students in a classroom. How many are over that number?

**Ms. Shannon Fuller:** So we have the numbers—

**Hon. Mitzie Hunter:** I recall the average being 24 students.

**Ms. Shannon Fuller:** It's 24.8.

**Mrs. Lisa Gretzky:** Okay. So then how many FDK classrooms are over the average of 24 students?

**Ms. Shannon Fuller:** We have information on the percentage of full-day kindergarten classes with 30 or more students. In 2015-16, there were 823 FDK classes in the province with over 30 students, and this represents 7.8% of all FDK classes. This is something that we are working on. We have seen a decrease in the number of classes, for example, of children with more than 31

students per class down to 2% of all of our FDK classes, which is a reduction from the year before.

**Mrs. Lisa Gretzky:** Okay. When you say that you're looking at the 823 FDK classrooms over 30—when you say that you're looking at that, are you then looking at allowing more SK/grade 1 splits, or is that actually implementing more FDK classrooms in order to be able to actually have a full FDK program rather than having kindergarten students in a grade 1 classroom?

**Ms. Shannon Fuller:** In terms of our approach to that, we do work very closely with our colleagues in the school boards and we do have regular conversations based on the data where we are seeing larger class sizes than we might anticipate. In terms of the approach, really, the structure of the classes is a local decision by principals. We do want to ensure that we are leaving flexibility in place for that in terms of what works for the school context as well as the teacher and the students.

1610

**Mrs. Lisa Gretzky:** Okay. So then my question is to the minister, and I would like it specifically answered by the minister: There is very different pedagogy and curriculum between a FDK program and a grade 1 program, so I would like your personal thoughts on what it means to have children who should be in an FDK program actually in an SK/grade 1 split, and what that looks like as far as delivery of the curriculum, as well as the fact that when you have an SK/grade 1 split, you no longer are required to have an ECE in that classroom. It is actually going against what FDK was meant to be, which was to have a teacher and a full-time ECE in the classroom.

**Hon. Mitzie Hunter:** I think Assistant Deputy Minister Fuller has identified the fact that we certainly see the need that our school boards and our school principals are able to design the best classroom composition that fulfills the needs of their school and the students who attend. I expect that they will be making decisions that are in the best interests of those students in their learning.

As a ministry and a government, we have certainly provided a historic commitment to children in this province and their families with the introduction of full-day kindergarten. A million children have gone through full-day kindergarten—

**Mrs. Lisa Gretzky:** I understand the benefit of developing FDK—

**Hon. Mitzie Hunter:** —and 260,000 children are benefiting from that—

**Mrs. Lisa Gretzky:** —but my question was specifically: How do you feel about having split classes?

**The Chair (Ms. Cheri DiNovo):** One at a time, please.

**Hon. Mitzie Hunter:** —are benefiting from that program each and every year, and the program is working. I think we discussed that earlier today, that children are better prepared for grade 1.

As it relates to the specific design of those classrooms and the children in those classrooms, that is the role of the school principal and the school boards. I know that

they are making the best decisions in the interests of the well-being of the children.

**Mrs. Lisa Gretzky:** Okay, but I asked you specifically what you think of the fact that, because of constraints on funding, school boards are being basically forced to make the decision to take students out of the FDK program and put them into an SK/1 split where there is different pedagogy and a different curriculum. In FDK you have play-based learning; in grade 1, that is not the case.

When you're looking at school boards making decisions specifically around the funding that flows from the ministry and creating SK/grade 1 splits because, due to funding, they need to eliminate ECEs and decrease funding in order to provide programming—I was asking for your opinion on if this is actually what was meant for an FDK program, when you have students who are SK and not actually in an FDK program, and running two different curriculums. Having been a school board trustee, I respect the fact that they have to make the decisions, but they make the decisions based on the funding that comes from the ministry, so the decisions are being made solely on the fact that they do not have enough funding to add extra classrooms. We're seeing increased numbers in FDK—30-plus children—and in some cases, boards are then creating SK/grade 1 splits.

What I'm asking is: Do you think that this was actually what the intention was of FDK, and is this really what should be happening with our SK students? Should they be getting split up and put in with a grade 1 classroom?

**Hon. Mitzie Hunter:** Well, let me tell you the intention of full-day kindergarten—

**Mrs. Lisa Gretzky:** As a school board trustee, I fully understand the intention of full-day kindergarten. What I'm saying is, when you're taking students who are supposed to be in an FDK classroom and you're putting them in with students in grade 1, where you're talking about different pedagogy and you're talking about a different curriculum, you are now no longer really fulfilling the intentions of an FDK classroom. That is based solely on the funding that comes from the ministry, that boards are doing that.

What I'm asking is not the intentions of FDK—I'm fully aware of what they are—I'm asking if you feel that the intentions of FDK are being fulfilled when you are taking SK students and putting them with grade 1 students, where it's a totally different delivery of curriculum—and not having an ECE, which was also the intention of FDK.

**Hon. Mitzie Hunter:** I believe that the intentions of FDK are being met, that 260,000 kindergarten students are entering our system each year. They are benefiting from this incredible and historic investment in education in Ontario.

**Mrs. Lisa Gretzky:** So you feel that those SK students who are going into a grade 1 split are being serviced and receiving the same education, getting the same supports—and this is no slight on the teachers that

are teaching these SK/grade 1 splits, because they do the best that they can with what they're given. But you think that those SK students that are being taken out of FDK classrooms, where there is a teacher, and at times—not always—an ECE, because that was the intention but it doesn't happen—so those students that are being taken out of a FDK classroom and put in a grade 1 split are getting the exact same educational opportunities and supports as students in a FDK classroom?

**Hon. Mitzie Hunter:** As it relates to full-day kindergarten, this is a historic investment that we've made—

**Mrs. Lisa Gretzky:** I understand that, but I'm asking if the students in an FDK classroom are getting the same education and the same supports and the same opportunities as the students that are in a split SK/grade 1. That's what I'm asking.

I fully understand the intention of FDK. I fully understand what it does for students. I'm asking if the students that are meant to be in those classrooms and are not in those classrooms—they're in a different learning environment—if they are getting the same education, the same supports and the same opportunities as their counterparts that are in an FDK classroom.

**Hon. Mitzie Hunter:** Our investments in our earliest learners are ensuring that all of our early learners are receiving the best education in Ontario. That's why we're making this investment. This is a program that we introduced that we have continued to fund and to support. As the assistant deputy minister said when we answered your question this morning, children are being better prepared for grade 1 having gone through the pedagogy and the play-based learning, the inquiry-based learning—

**Mrs. Lisa Gretzky:** The play-based learning which they're not necessarily getting in a split class.

**Hon. Mitzie Hunter:** —benefiting from the teacher in the classroom along with the early childhood educator in the classroom. The investments that we've made on the capital side to build out the spaces for our full-day kindergarten—

**Mrs. Lisa Gretzky:** So the fact that you're not actually addressing the question speaks volumes about how you feel. You feel those students are being serviced the same.

**Ms. Sophie Kiwala:** Will you let her answer?

**The Chair (Ms. Cheri DiNovo):** Mrs. Gretzky, one at a time, please.

**Hon. Mitzie Hunter:** It's my belief—and I see that every time I go into our full-day kindergarten classrooms, seeing our classroom teachers and our ECEs working together as a team with those students—that they are getting the best possible learning and the best possible education. I'm really thrilled to see your recognition that this program is working and it's a fantastic investment in education in Ontario. We have committed to this, we've committed to this in our budget—we're spending over \$1 billion on full-day kindergarten because we believe in our early learners and making those additional investments in their learning. We're seeing the results of that.

**Mrs. Lisa Gretzky:** Okay. So it appears as though you do think that those that are in SK/1 split are getting

the exact same opportunities and supports as those that are in full-day kindergarten.

My next question, then, is: When it comes to ECEs, those that actually have an opportunity to spend a significant amount of time in an FDK classroom—because they aren't getting a chance to spend full time in a classroom like they're supposed to—is there a time allotted for professional collaboration? Is there time that's actually mandated where ECEs and the teachers in these kindergarten classrooms have an opportunity to have professional collaboration, and if so, is this actually being enforced at the school board level?

**Hon. Mitzie Hunter:** So let's talk about what is happening in full-day kindergarten and the—

**Mrs. Lisa Gretzky:** Well, I would like you to answer my question. I know what's going on in the classroom, but I would like you to answer my question.

**Hon. Mitzie Hunter:** I appreciate your question. We are committed to our investments in full-day kindergarten and fully committed to this policy. We are investing in this program.

1620

Deputy, I'm going to ask you to talk about our play-based learning and what's happening in our full-day kindergarten. We're delighted to talk about this.

**Mrs. Lisa Gretzky:** Well, I'm asking specifically about time allotted and mandated for professional collaboration between ECEs and classroom teachers, and, if there is such a thing, is that actually being monitored in school—

**Hon. Mitzie Hunter:** I'm going to address your question through to the deputy.

**Ms. Shannon Fuller:** Shannon Fuller, early years division.

Yes, absolutely, there is time allotted for professional development between the learning teams and the FDK class.

I think very important for us to also note is that one of the key goals in achieving excellence and the vision for education going forward really is to extend the principles of play-based learning established in full-day kindergarten and child care up throughout the education system. So we're actually looking to have opportunities through our cross-ministry pedagogical leadership, kindergarten through to grade 3 team offering professional learning sessions in all regions across the province to school board teams and other partners over the past few years, building on professional learning that has been targeted to kindergarten to grade 3 educators since 2010.

I think that also speaks to your question around the experiences that children may be getting in combined kindergarten and grade 1 classes, in terms of a lot of those pedagogical approaches looking to apply well beyond kindergarten and really providing some important and unique learning and developmental opportunities for the children who are in those combined grades.

**Mrs. Lisa Gretzky:** Thank you. I appreciate that there are professional learning opportunities. What I'm asking is, is there time each day, each week, each month, what-

ever it may be, not for professional learning, but for there actually to be professional collaboration between an ECE and a kindergarten teacher?

So, within the classroom, the ECE who should be in that classroom and the teacher who's in that classroom: Are they allotted specific time, and is that mandated, that they are allowed so much time every day or every week to actually sit down and discuss the students in the classroom, the needs, the achievements they've had and the struggles of some of the students? Is there an opportunity for an ECE and a teacher to sit down and discuss those things? Is it mandated time? If so, what is it and is that being enforced through the school boards?

**Hon. Mitzie Hunter:** I just want to reiterate that we are investing in Ontario's education system. We provide that space for learning to occur, but we also understand the role of the principal and the classroom teacher, together with the ECE and, frankly, all the supports that are within our school system. I just want to say that the classroom planning is something that the teacher and the ECE do. They are aware of their students. They have a curriculum that is provided. But in terms of the delivery of that curriculum, that is the role of the classroom teacher, the ECE and, frankly, the school community.

Deputy, I'd like you to talk more specifically about that.

**Mr. Bruce Rodrigues:** MPP Gretzky, specific to your question, the time is not mandated for planning between the ECE and the teacher. However, they do co-plan together in most schools, in most cases, and part of that is based on their planning time as well. In some schools where there is more than one kindergarten class, principals, when they set schedules, create those schedules so that those four individuals, the ECEs of two different kindergarten classes and the teachers of two different kindergarten classes, can in fact co-plan together so that they have some consistency across the school as well.

So it's not mandated—and it was intended so that they could use their professional judgment in how they manage that time, essentially, together. There are places where it could be different, for sure, but we do see some best practices around boards where that in fact happens.

**The Chair (Ms. Cheri DiNovo):** You have just under two minutes left.

**Mrs. Lisa Gretzky:** So, then, my next question is around funding for ECEs. That money that flows from the ministry to the school boards for ECEs, is that enveloped? Is that given to the boards specifically for use on ECEs, or is that open-ended money where the board can actually use it for other things? When the money is given, is it given and only able to be used for the funding of having ECEs?

**Hon. Mitzie Hunter:** I'm going to ask the deputy to talk about the increasing funding that we're making in our education system.

**Mr. Bruce Rodrigues:** Thanks, Minister. Executive director Josh Paul will address that.

**Mr. Josh Paul:** Yes, thank you for the question. Funding for staff in the FDK panel is treated the same as

all the other panels in the Pupil Foundation Grant and the Grants for Student Needs and is not specifically sweatered, although there is funding generated specifically for ECEs—you can see it in the regulation and in the technical documents. Once you hit 26 students, you generate the funding for a full ECE.

**Mrs. Lisa Gretzky:** Okay, it's not sweatered, so therefore boards have the opportunity to actually take the money that was meant for ECEs in FDK classrooms and use that for other things, such as a shortfall in funding for special education or something other than ECEs. It's not specific to an ECE; the board can ultimately do what they need to or want to with the money.

**Mr. Josh Paul:** Absolutely, the board does have flexibility, but it's worth noting that the boards are regulated to have a class size average of 26. In that class, they would have to have an ECE and they'd have to have a teacher. That's where the funding comes in. So there's not a lot of flexibility there for boards to move around because of the need to have that staff in those classes.

**Hon. Mitzie Hunter:** I also want to say that—

**The Chair (Ms. Cheri DiNovo):** I'm sorry. We're out of time now, Ms. Gretzky.

We now move back to the minister, so you can continue on. You have 30 minutes to respond.

**Hon. Mitzie Hunter:** We'll pass it on to our Associate Minister of Education, Indira Naidoo-Harris.

**Hon. Indira Naidoo-Harris:** Good afternoon, everyone. I'm pleased to have the opportunity to discuss the 2016-17 estimates with you for the Ministry of Education. It's an honour for me to be here with you today with the Minister of Education, Minister Hunter.

I also want to start out by of course thanking our senior ministry officials who are here with us today for all their hard work and preparation for this discussion. A special thank you to the deputy minister, Bruce Rodrigues, and the associate deputy minister, Shannon Fuller.

I want you to know that I am very proud of our government's record on education. I am a parent and I've had two children go through the education system in this province. I really do feel that the proof is in our children. I'm lucky and fortunate to say that my children have been excelling, and I know we are all here in this room today for our children and we want to ensure that they are getting the best start in life.

Our government has made great progress in helping all students succeed and reach their full potential. Together with many of our stakeholders, we have transformed Ontario's education system into one of the best in the world. Let me tell you, that is quite an accomplishment. I have lived in several parts of the world over the years, and this is something I am particularly proud of.

For those of you who don't know my family history at all, I would like to point out that I come from a family of educators. I really do understand the intricacies and details of education in other countries and the important role it plays in ensuring that our children get the best start in life and putting them on a path to lifelong success.

Both of my parents were educators. My father was actually a lecturer at a teacher training college in southern Africa and then wound up becoming a principal of schools in Canada and finally superintendent of schools. My mother taught for more than 40 years and was named one of Alberta's 100 most memorable teachers in the history of the ATA.

I tell you this because I want you to know that they had varied experiences. As a child growing up in a household of educators, with aunts and uncles who were educators and so on, you get a sense for how important it is that we really do the right thing for our children, because it really does make a huge difference in their lives. An investment in education is an investment in all of us. It lays the foundation for future generations and puts our young people on a path to success. It's a gift we give our children that no one can ever take away from them.

We know that the short- and long-term effects of creating a strong education system are significant. It helps to reduce poverty, eliminate the gender wage gap, support new immigrants and put our young people on a path to lifelong success. It also supports our older communities in our country. All of this contributes to the overall health and strength of Ontario's economy.

This is why we're working to create a system that is seamless and integrated, starting right from the child's earliest years. I want you to remember that word, "seamless," because I think it's particularly important.

Our government's investments in publicly funded education have delivered tremendous results. For much of the last 13 years, our accomplishments were guided by three core priorities: increased student achievement; closing the gaps in performance for struggling students; and increasing confidence in publicly funded education. With these priorities at the core of our work, we're getting great results—results that are demonstrated by real data.

### 1630

In 2003, only 54% of children in grades 3 and 6 were achieving at the provincial standard—only 54%. In 2004, only 68% of our students were graduating. Today, those numbers have increased substantially. Today, those numbers stand at 71% and 85.5% respectively. This is a significant increase, and one that we should all be proud of. I can tell you that in my own riding of Halton, those numbers are actually increased and are greater.

Our students are graduating. They're graduating in record numbers. They're graduating in historic numbers with the skills and knowledge that they need to succeed in the 21st century and compete in the global economy.

In fact, Ontario's graduation rate increased again—as I mentioned—to 85.5% in 2015, which is 17.5% higher than the 2004 rate of 68%. This is an historic achievement for our province and for our children. Our children are graduating in higher numbers than ever before, and that's something that I think we should all be celebrating.

An additional 190,000 students have graduated who would not have done so had the rate remained at the 2004

level. These are people who are in a better position to succeed today because they have graduated. They're on their way.

I want you to take a moment and think back to what it used to be like when not all of our kids graduated from school, when the rates were much lower than this, when they weren't at 85.5%. That was a different time. Our goal at that point was just to ensure that our children were finishing school and graduating.

They are better qualified to take that next step today to getting a post-secondary education or entering the Ontario workforce.

Internationally, Ontario has achieved great success to become a leading jurisdiction in the English-speaking world. In March 2012, the Organization for Economic Co-operation and Development, the OECD, came out with a report called Strong Performers and Successful Reformers in Education. They explained that Ontario's emphasis on education has achieved real, positive results in increased literacy, numeracy comprehension, improving graduation rates and reducing the number of low-performing schools. This is an international body, an outside body that judged our system and gave it high marks. This builds on previous OECD reports that have ranked Ontario students among the best in the world.

Perhaps most meaningfully, Ontario has been recognized as one of the few jurisdictions in the world where students are meeting or exceeding international standards, regardless of socio-economic background or first language. This comes from the OECD's Programme for International Student Assessment.

This is something that I think we should all truly be proud of, because it puts us on a track for fairness when it comes to education. I came from a system originally that wasn't fair to everyone, so I really do understand the impact of ensuring that our education system guarantees that our children will be successful, regardless of their background.

As well, an international study by McKinsey and Co. ranks Ontario's education system as one of the best in the world.

These are accomplishments that we can all be proud of. Regardless of our party backgrounds or our values, this is something that we should be talking about and speaking about to our children, and encouraging them that they are on a track to a successful life.

One of the big reasons for this success is because our government, since 2003, has focused on innovation along with continuous improvement and transformation. We are now giving students the best possible start with full-day kindergarten, the most significant transformation in our education system in a generation.

I remember when this idea was first being talked about. It was something that many people didn't really understand how it was going to be implemented and what the impact would be. Well, here we are, several years later, and the impact that it is having on our children is profound; something we have accomplished in record time.

We've also focused on better ways of teaching our students the basics of literacy and numeracy, and we've worked to develop their higher-order skills. As a result, creativity and critical-thinking skills are embedded in all aspects of our education system. This is a whole new way of engaging Ontario's young learners in the classroom, and it's getting results.

Ontario has been a trailblazer in offering students opportunities to gain real-life, hands-on experience in the workplace. Our co-op program is one of the best programs out there. The ground breaking Specialist High Skills Majors program lets students focus on a career path that matches their interests and skills while they work towards their diploma. Careers in things like health care, computer engineering, aerospace—I know the minister mentioned a list of them herself when she was speaking.

In my riding of Halton, Notre Dame Secondary School has a program on aquaponics. It's truly remarkable and it's something to see in action. These kids are actually using aquaponics to not only build a greenhouse around, but also fish—they're raising fish. It's about sustainable food and creating a sustainable food system. These kids are energized, absolutely energized, by this program. Let me tell you, they were teaching me things I had no clue about when I toured that school, and I walked away feeling like our younger generation and our future were in good hands. It's truly amazing and inspiring work and it gives students a wonderful opportunity to learn more about the world.

As well, dual credits keep students engaged by allowing them to participate in apprenticeship programs and training and college courses.

We've also made progress in the following areas:

- higher-quality teaching and learning for kindergarten to grade 12;

- a robust leadership strategy;
- healthy, safe, accepting and inclusive schools—I think that's a particularly important piece for us to think about these days;

- hands-on and engaging secondary programming;
- a revised and expanded curriculum;
- First Nation, Métis and Inuit educational supports;
- improved governance;
- the politique d'aménagement linguistique;
- parent engagement; and

- a prominent role for the student voice.

Now, I'm painting a very solidly bright picture, but while we are proud of what we have accomplished, the true measure of a society is not one that rests on its laurels, but one that actually understands that there is more work to do and that we should stay ahead of it all. We're working hard to improve the education experience for Ontario students because we do know and recognize there is more work to do. I understand and welcome your comments because that's what we're all here to do today: ensure that we are doing the best we can.

Education plans must evolve and change with the needs of a society. They cannot be intransigent and they

cannot sit solidly without being able to be flexible, because our children are flexible and we live in a changing world. If we're going to teach them to adapt and be able to really thrive, we have to give them those skills.

One of the most significant challenges and opportunities before us is how to best prepare our students for a rapidly changing, technology-driven, globalized world. What is abundantly clear is that in order to out-compete the rest of the world tomorrow, we need to out-educate them today. And that's what we're doing. Our education system is one of the best in the world. With its overall budget of \$25 billion a year, the Ministry of Education provides one of the most important public services to Ontarians. Our goal is to take our publicly funded education system and help our students achieve even greater success. Because we are Ontario and we lead the way.

In 2008, the Ministry of Education released a vision paper—Energizing Ontario Education—that served as both an inspiration and road map for the years ahead. Five years later, we know we need to reflect on that progress and consider where we want to go next.

In April 2014, our government launched Achieving Excellence: A Renewed Vision for Education in Ontario. We did so in consultation with hundreds of traditional and non-traditional stakeholders, including education, business, research, innovation and not-for-profit, along with indigenous communities and, of course, parents and our students. We tried to bring everyone to the table and give them all a voice. Our path has been marked by the inclusion and consideration of our four systems: public, Catholic, English and French.

#### **1640**

Since then, our renewed vision for education has formed the basis for moving Ontario's education system forward. Together, we are working toward what Ontarians view as essential outcomes for children and students to help ensure that our young people have the talent and skills they need to lead in a global, competitive economy.

In partnership with our many stakeholders in education, we are transforming our system to deliver responsive, high-quality and accessible services and programs that are integrated from early learning and child care through to adult education.

As I mentioned earlier, for most of the last 13 years, we have focused on three core goals, but as part of our renewed vision, we have added a fourth. Our four key goals are excellence, equity, well-being and public confidence. The renewed vision lays the framework for us to move forward. It provides us with a focus for all of us to help make a great education system even better.

Of course, there is going to be a continued focus on the basics of reading, writing and a renewed focus on mathematics, but I also want to emphasize that we are broadening our view of student achievement to include an even greater emphasis on higher-order skills. These include critical thinking, communication, collaboration, creativity and entrepreneurship. All of these are necessary for developing global citizens in a civil society.

These are the skills and tools that our children will need to thrive.

In addition to measuring how well our students meet academic goals, it's important to know whether our system is producing healthy and well-rounded adults. It's not just enough to get good grades, as we all know; we need to make sure we are also supporting the emotional, social and physical development of our students.

Promoting and supporting well-being is of fundamental importance to our students and their futures. We are committed to working with our partners to find out how we can support the well-being of our students—but we are ensuring that we're promoting well-being in our school communities. It's part of our renewed vision.

We're also embracing the role of technology and have improved our governance structures. Our renewed vision for education is providing us with a unique opportunity to improve an already great education system.

I'd now like to provide you with a bit of a recap of some of our recent achievements. Let's start with 2014-15. That school year marked the complete rollout of full-day kindergarten, making the program available to all of Ontario's four- and five-year-olds. At the end of the day, our program will have enrolled more than one million students and saved families an estimated \$1 billion in child care costs. Think about that: a million Ontario students.

In addition, the \$150-million Technology and Learning Fund began its rollout in 2014-15 to support technology, pedagogy and 21st-century competencies for classrooms of the future.

Together, we have implemented Creating Pathways to Success, a career/life planning policy, including an online pathway planning tool for grades 7 to 12.

We are also continuing to collaborate with our external partners and with our partner ministries on Ontario's Special Needs Strategy. This involves working to increase the integration of education services and services delivered by other ministries and community partners for children and youth with special needs—very important work.

We released Foundations for a Healthy School to support building learning environments that promote child and student well-being.

We launched a current, relevant and age-appropriate health and physical education curriculum that started being taught in Ontario classrooms in September 2015.

And through our Parents Reaching Out Grants, we invested \$31 million to support parent engagement to ensure that those parents are there, even when their kids are getting older, and are part of their learning experience. Because we know our kids perform better in education when their parents and their families are involved.

We doubled overall funding for school renewal and targeted boards with older facilities.

We launched a renewed math strategy, as the minister told you about earlier.

And we published and launched Ontario's Strategy for K-12 International Education, which outlines a framework.

The Child Care and Early Years Act, 2014, was proclaimed on August 31, 2015. This was the first new child care legislation in Ontario in almost 70 years. It was an idea whose time had come. The new legislation and regulations lay the foundation for our exciting new, historic initiative in early years and child care. We are transforming the way we deliver child care and early years learning in our province. The changes will support a more responsive, high-quality and accessible child care and early years system that is better able to serve Ontario's children and families. This historic transformation is visionary and puts our children on a path to lifelong learning.

I want you to take a moment and just dream with me; dream about the possibility of putting our kids on a path to early learning not just in full-day kindergarten, not just in grade 1 and not just in child care centres. We know that our children are sponges from the moment that they are born. Imagine a society and a civil system that takes into account that those zero-to-four years are key—most parents know that anyway—when it comes to learning.

This is also the next step in seamless learning, one that starts from infancy, moves to child care, then full-day kindergarten, elementary school, high school and post-secondary school. We'll put our kids on a path to success from their earliest years. By focusing our attention on early years learning, we are shining a light on a new and exciting area of education and giving our young kids a head start in life.

Following this ground breaking initiative in early learning and child care, we announced the creation of approximately 4,000 new, licensed child care spaces. To support these spaces, we dedicated \$120 million in new funding to building safe, high-quality licensed child care spaces in schools across the province where there is significant demand. But we didn't stop there. We have further committed to help create 100,000 new licensed child care spaces within the next five years, a historic investment.

Think about it: The number of licensed child care spaces in Ontario has now grown to nearly 390,000, doubling since 2003. We're not done. We're now going to create an additional 100,000 spaces, so that more working families can find affordable, quality, flexible care.

Another big part of our plan to modernize child care is the transforming of our family support programs into an integrated group of Ontario Early Years Child and Family Centres. These programs will create valuable support for families. We know that they will have a significant positive impact on children and their parents and caregivers. It will enhance program quality, consistency and accessibility.

In response to the findings of the Truth and Reconciliation Commission, the government plans to invest more than \$250 million over the next three years in programs and actions focused on reconciliation. This will include investments to increase the number of culturally relevant child care spaces off-reserve and expand access to child and family programs for indigenous children and families both on- and off-reserve.

I was recently on a trip up north and I heard about the needs and the challenges that families are facing, whether they live in rural areas, northern areas, urban areas or on- or off-reserve. I want to tell you that the comments that I heard were very, very remarkable and were really very thoughtful. We're going to take some of those ideas and thoughts and put them into action.

This is a visionary, transformative plan for our children. The strategy will help school boards expand and enrich the learning environment for all students and educators.

In 2015, the five-year graduation rate, again, surpassed 85%, and all of these success stories and many other accomplishments are the result of strong partnerships—all of us here at this table, all of us working together. As a result of that collaboration between all of us—ministry, school boards, professional associations, community partners and parents—we're going to work together to deliver the best, high-quality education system we can in our province.

As you may know, we have almost reached the targets that we set for student achievement and have surpassed our goal for the graduation rate. This is important, because as far as we have come toward realizing these goals, we will always have—what we are aiming for is excellence. Excellence can only be measured by how well we adapt and respond to the changes happening in the world around us. From the implications of new technology, a globalized economy, demographic changes and social media, the ground beneath us is moving, and we have to move with it or we're going to be left behind. I don't think that any of us in this room are going to sit around and watch that happen to Ontarians or to our kids.

1650

The world continues to change; we need to keep up with it. We are moving ahead with our plans to modernize the education system, as outlined in our renewed vision. We will be sure to make changes that have the most positive impact, while ensuring that it remains effective and sustainable.

This is an exciting time for Ontario education. We have so much to be proud of, and yet so much to aspire to in the coming years. We have learned a lot from the journey so far. Now it's time to build on our experience as we continue to move forward on the next phase of Ontario's education strategy.

Can I ask you, Chair: How much time do I have?

**The Chair (Ms. Cheri DiNovo):** You have just over five minutes.

**Hon. Indira Naidoo-Harris:** Five minutes? Okay.

Together with our sector partners, we are working to get the most out of our government's investments in education to truly become an education system of the 21st century.

We've come a long way in the last 13 years. As I already mentioned, Ontario's publicly funded education system is one of the best in the world, and it's also the choice for 94% of Ontario's students and families.

I'd like to go back, if you will, to a couple of the things that we have been able to accomplish over the

years. This year, for example, more than 2,300 school council and regional projects, through the Parents Reaching Out Grants, have been funded to help remove barriers to parent engagement. For those of us who have sat on parent councils, you understand the importance of initiatives like this that get parents involved in their kids' education and allow them to have a voice, and allow them to be active in their schools.

We also doubled overall funding for school renewal and targeted boards with older facilities. I mentioned this earlier. This will help to ensure positive and safe learning environments for students.

We launched a renewed math strategy, as I mentioned. The goal is to help students improve and build their math skills by giving teachers and students more tools and resources. I have a 17-year-old who's in school right now, studying math. It's important to make sure that they do get that best start in life and that they do get those supports out there because the world is changing. The demands when it comes to math today are not the same demands in math when I graduated—or many of us in this room. It is a more demanding field. We have to keep up and we have to ensure that our children are able to keep up.

As I mentioned also, we're transforming education, trying to ensure child care, including investments to increase the number of culturally relevant spaces in our First Nations. We've come a long way.

Our government is immensely proud of everything we have accomplished in education, but I'm even prouder to say that I believe the best is yet to come. I am excited to move forward and see what's over the horizon because that is where the future is, and Ontario has a very bright future ahead of us. I know that when it comes to child care in this province, I am doing my very best to ensure that what we do today will have a long-lasting impact on a child's future.

We are modernizing and transforming child care in Ontario for healthy child development in a safe and supportive child care environment which provides the best start for children today and a stronger future tomorrow.

Learning begins from zero to four years old, goes on to full-day child care and then full-day kindergarten, then grade 1, then elementary school and then high school and, finally, university. We're building high-quality, seamless, integrated education and really doing it in a very modernizing and forward-thinking way. Ultimately, in the end, our children will be on the receiving end and will be the ones that will have a stronger future. And when they succeed, we all succeed.

**Hon. Mitzie Hunter:** I just want to thank Minister Naidoo-Harris for really talking about how our investments are making a difference in our earliest learners. Education is one of the most valuable and valued public services.

**The Chair (Ms. Cheri DiNovo):** You have just under two minutes, Minister.

**Hon. Mitzie Hunter:** And we see that. We see that in the commitments that we're making to funding for education.

Our government strongly believes that every student deserves a safe, modern and healthy learning environment. You can see that in the investments that we're making in better buildings, which are leading to better student achievement and well-being. We're committed to ensuring that schools receive that support. That's why we are ensuring that there is strong, stable funding sustaining our education system. If you look at the increases that we've made on a per student basis, it's actually \$4,500 on a per student basis since 2003-04. You can really see that our students are receiving the necessary investments that they are needing so that Ontario's education system remains the best system, the strongest system, for all of our students.

I want to say that, working together with our education partners, right from the early years through to elementary into high school and beyond—our investments in post-secondary education and ensuring that our students have those pathways, whether they choose to go to college, apprenticeship training, university—that they're prepared, of course, to meet the world which they will confront.

Ontario's public education system is strong. Our two million-plus students are receiving the necessary supports and the investments in their education system and—

**The Chair (Ms. Cheri DiNovo):** Sorry, Minister; you are over time now.

We are going to move on to the official opposition. Mr. Smith.

**Mr. Todd Smith:** Why, thank you very much, Chair. Good afternoon to the ministers and the staff, as well, who are joining us. I hope the ministers had a lively caucus meeting this afternoon and are feeling chipper for the rest of the day here as the sun sets.

One of the issues that Minister Hunter and Associate Minister Naidoo-Harris touched on during their remarks, both this morning and again here this afternoon, from Indira Naidoo-Harris, is the graduation rate. Minister Hunter was talking about it this morning, saying that 17% more students are graduating now than were, say, in 2004: 86% of students are graduating. That's fine, but what we're hearing is that students are being pushed through the school system. I'm sure you've heard the same thing—that they're graduating. Actually, even this morning, when I asked the minister about that, if she thought that students were ill-prepared to move on to post-secondary, she didn't really answer the question.

If students are being pushed through the system to graduate, to increase the statistics that both of you have been talking about here—and I must say, I would give you both As for your talking points if I were a teacher; you're both doing an excellent job there—but how are students actually not graduating? Why are 14% of students not graduating in Ontario? I would love to hear the minister's response to that.

**Hon. Mitzie Hunter:** We're certainly very proud of the graduation rates. As I said, if they had stayed at the rates that they were at in 2003-04—that's at 68%. We've exceeded the goal that we had set for ourselves. The

graduation rate is now 85.5%. We're very, very proud of that. At the same time, as I said this morning, we're not resting on our laurels. We are continuing to invest in student achievement. I'm going to ask the deputy to talk about all of the work that we are doing in student achievement—

**Mr. Todd Smith:** Before you do that, I do have another question.

**Hon. Mitzie Hunter:** I'm answering your question. This is a critical question in terms of the achievement rates of all of our students. It is very important that we focus on all students, so that all students can succeed. It's important that we recognize that our investments that we're making in education—and I want to make sure that we recognize that, despite declining enrolments in our schools, the per pupil funding has increased more than \$4,500, to \$11,709: an increase of 63% since 2003-04.

**Mr. Todd Smith:** No, I know all the talking points. I know all the numbers; we've heard them all already.

1700

**Hon. Mitzie Hunter:** These investments are being made in the classroom learning of our students so that they are receiving the supports that they need so that they're achieving that success—

**Mr. Todd Smith:** Minister Hunter, they're not, though. When you talk to those who are working as post-secondary educators, they are telling us that the students who are graduating from high school aren't as prepared for post-secondary education as they were 15 years ago. More of them are graduating because they're being pushed through the system.

My question is, how are 14% of them not graduating from high school? What are those individuals doing? The teachers that we speak with are telling us that they're being forced by administration and school boards to pass students that are ill-equipped to move into the workforce or go on to post-secondary education. They're being forced by the ministry to pass the students. Are they being forced by the ministry or are they being forced by the school boards to pass students?

**Hon. Mitzie Hunter:** I just want to say—and I will pass it on to the deputy to talk specifically about the achievement gap, because a goal that we have is ensuring that all students succeed. If you look at some of the investments that we're making, we talk about our literacy achievements, for instance, and the investments that we've made there. Some 71% of elementary students are meeting or exceeding the provincial standards in reading, writing and math. This is up by 17% since 2003.

We had a significant debate around our early learners today, and our investments that we're making in full-day kindergarten. We're absolutely committed to ensuring that the learning pedagogy is working for our earliest learners.

Our investments and our record on education are very strong, and it's to the benefit of students.

Deputy, I want you to talk about the 14.5% and the things that we're doing to close that gap.

**Mr. Bruce Rodrigues:** Thanks, Minister. Directly to your question, MPP Smith, a couple of things—one is this notion of being pushed through. I think that in order for a student to graduate, a student needs to meet the grad requirements. I think to sort of characterize it as being pushed through diminishes both the student's achievement as well as what the teacher has done in order to support the student in getting there.

A student, in order to graduate, must meet the requirements, and these students that graduate have, indeed, met the requirements. So that 85.5% of students are the ones that have met the requirements that have been set out by the ministry and are eligible to graduate and then choose whatever it is that they choose to do after that, whatever pathway it is.

Whatever the criticism happens to be of post-secondary institutions as to whether indeed students are prepared or not is a different discussion from the grad discussion.

**Mr. Todd Smith:** I think that the biggest difference, and what we're hearing, is that students in their high school careers have no concept of what a deadline is because of Student Success. They don't have to meet the deadlines that are imposed by the teachers. The teachers have no support from the administration or the school boards. Can you see where that's a problem when you move on to post-secondary education?

**Hon. Mitzie Hunter:** I will turn it back to the deputy, but I do want to talk about some of the programs that we have to engage our secondary school learners, such as our Specialist High Skills Major program, where they are able to select a cohort of study that they're interested in, that is leading to a particular path and career. We talked about programs like aviation—a really highly skilled and sought-after curriculum.

There is the Dual Credit Program that is allowing a student, while they are in high school, to earn credits in one of our colleges, once again linking what they're learning to that career path which they choose.

It's very important that we look at the fact that we're preparing students to be citizens and that the whole focus of education is to prepare them for that particular path.

**Mr. Todd Smith:** I would argue that the focus is on increasing the statistics and not ensuring that the students are prepared to move on to post-secondary education. It's not just me saying this. There are third parties out there; there are post-secondary institutions out there.

You just blew your horn about the stats that you've achieved when it comes to the reading and writing portion of the curriculum. Clearly, the math scores are another matter, and I know my colleague wants to ask more about the renewed mathematics strategy that the province is implementing. But even post-secondary institutions, like Seneca College, out there are saying that 47% of students in college have to take remedial English classes because they're not prepared when they hit post-secondary education. So there's that kind of third-party support for what I'm saying here today. Clearly, students aren't as prepared as perhaps they used to be. They're

being graduated and pushed through the system. I don't mean that to be demeaning. It's just what we're hearing from our post-secondary institutions. It's also backed up by what we're hearing from those in our high schools: that teachers have no authority, and they don't have the support from the administrations, to fail a student if they don't meet the deadlines. They have this other avenue that they can take to achieve their credits well after the deadlines—in some cases, three or four months later. That's an issue for me.

I'll pass it over to Mr. Coe here. I know he wants to talk about the math—

**Hon. Mitzie Hunter:** Are you going to give me a chance to address the question?

**Mr. Todd Smith:** Sure. Please address that. Neither of you looked like you wanted to, so—

**Hon. Mitzie Hunter:** The comment around students as statistics is really baseless. We talked about Ontario's education system being globally recognized as a system of education, and that's based on the quality of our teachers and our education workers. It's also based on the quality of our students. We have outstanding students here in Ontario.

I went to a student awards night in one of the schools in my riding last week. One of the teachers said to me, "Our students who graduated last year received \$750,000 in national and international scholarships." That is the quality of the students in which—

**Mr. Todd Smith:** And that's great. There is that upper tier of students who is doing extremely well, but there are many who are being pushed through the system.

**Hon. Mitzie Hunter:** It's an example of—

**Mr. Todd Smith:** This is our time for questions, so I'd like to have—

**Hon. Mitzie Hunter:** Well, it's also a time to respond once you do ask the questions.

**Mr. Todd Smith:** No, it's really our time now for us, as opposition MPPs, to pose our questions.

**Hon. Mitzie Hunter:** Right, to pose a question and then to listen to the response.

**Mr. Todd Smith:** My colleague from Whitby-Oshawa would like to ask another question, because we only have 20 minutes. Thank you, Minister.

**The Chair (Ms. Cheri DiNovo):** Mr. Coe.

**Mr. Lorne Coe:** Thank you, Chair. To the minister and the associate minister and deputy minister: Welcome. To the staff behind you: Thank you very much for coming back this afternoon.

I'm going to take you back to my line of questioning this morning. It was on the mathematics strategy. In 2014—I'll take you back to 2014—the government announced \$4 million annually for additional qualification courses for teachers in mathematics, totalling \$12 million.

Minister, can you provide specifics about who took these AQ courses, and what, if any, the resulting impact was on student success?

Chair, I don't seem to have the attention of the minister or her deputy minister.

**The Chair (Ms. Cheri DiNovo):** Just continue your question, please.

**Mr. Lorne Coe:** Thank you.

**The Chair (Ms. Cheri DiNovo):** The bells are a quorum call only, so disregard them.

**Mr. Lorne Coe:** Thank you. To the resulting impact on student success, I'd also like to know, Minister, if that was measured, and if it was measured, are there reports available that you can share with this committee? Minister, please?

**Hon. Mitzie Hunter:** Deputy, can you speak to that?

**Mr. Lorne Coe:** Minister, your opinion, please.

**Hon. Mitzie Hunter:** Go ahead, deputy.

**Mr. Bruce Rodrigues:** MPP, speaking to the \$4 million in particular around the money that was allocated for PD and for teachers to take AQ courses, we do have the number of teachers who were enlisted in those courses. I don't know if the ADM has that right at her fingertips, but we do have that information.

**Mr. Lorne Coe:** I can help you with that, Deputy. The government did announce, on April 4, 2016, that 6,000 teachers had taken advantage of this program.

**Mr. Bruce Rodrigues:** Okay.

**Mr. Lorne Coe:** What I would like to know is, out of those 6,000 teachers who took advantage of the program, in terms of the success of that on students, how did you measure that?

**Hon. Mitzie Hunter:** I'm going to ask the deputy to talk about this—

**Mr. Lorne Coe:** What was the resulting impact on student success?

**Hon. Mitzie Hunter:** I do want to say that our investments in professional development for our teachers are directly tied to the curriculum and student achievement. We value the investments that we're making in our teachers, because that's leading to student outcomes and student achievement. So it's very important, the work that we're doing.

Deputy, I want you to address this.

**Mr. Lorne Coe:** I agree with the aspect of importance, but did you measure the impact of the number of teachers who took it, relative to the students' success?

**Mr. Bruce Rodrigues:** Not in any quantifiable way, in terms of a number, in terms of that impact. But what we do know is that from an anecdotal perspective in terms of the impact, we know that teachers are far more comfortable in teaching mathematics at that level, both within the content and the pedagogy. So when we go into schools and we have conversations with teachers about their level of comfort—have they grown because they've taken that AG course? Yes, in fact, it has grown. It's anecdotal, but we don't have a concrete, quantifiable measure to give you a number for.

1710

**Mr. Lorne Coe:** So simply put, you didn't evaluate how that money was spent, and you announced that 6,000 teachers took advantage of the \$1,000, so it begs the question: How did you evaluate that? If I understand your answer correctly, you didn't evaluate it. Is that correct?

**Hon. Mitzie Hunter:** Well, I think what I had said was that we invest in our teachers, so investing in professional development tied to the goals that we have for the curriculum is something that's very important for us to do.

As the deputy has said, 6,000 teachers have taken up on that, and there are many more—we continue to have teachers that are enrolled in those opportunities, and it's important that we give the system time to experience the renewed math strategy and the outcomes that we desire, which is that students are grasping the curriculum and the results will show over time. I think that that's something that's reasonable to expect.

**Mr. Lorne Coe:** So even if a teacher accessed the entirety of the \$1,000 that was available to them, it would mean that only \$6 million of that \$12-million funding that was announced in April 2014 has been used. How are you accounting for that? Where is the rest, how is it being used and can you provide that information?

**Hon. Mitzie Hunter:** I'm asking the deputy and his colleagues to address the question. Go ahead, Deputy.

**Ms. Cathy Montreuil:** I'm Cathy Montreuil, the assistant deputy minister of the student achievement division.

Yes, we did have 6,000 teachers go through the AQ program. The goal of that program was to increase teachers' knowledge of the subject matter. Since then, we've also looked at studies, including PISA international studies, to say that we need to then build on the content knowledge with the pedagogy. The renewed math strategy has invested heavily in allowing those teachers to come together and apply that knowledge in ways that have effective pedagogy directed specifically at their students' learning needs, so what we've done is leverage that.

The other thing we learned through the studies of results is where teachers took those courses in more than a single position. So in a school where a cluster of teachers took those courses, we do have evidence of impact. So in the new renewed math strategy now, we've encouraged schools to come together and take those courses together, including the principal, because we do have direct evidence that that will leverage improvements in mathematics for kids.

**Mr. Lorne Coe:** Thank you for that answer. My question to the minister, then, is this: Can the minister provide detailed accounts for the outstanding \$6 million? That was my question. Can that information be provided, Minister?

**Hon. Mitzie Hunter:** I will endeavour to look into that.

What I believe your question is about is the investments that we're making in professional development for our teachers: Are we seeing that result based on that investment?

**Mr. Lorne Coe:** No, no. Minister, my question was that your government announced an allocation of \$12 million in April 2014 for Additional Qualification courses for teachers in mathematics—totalling \$12 mil-

lion. What I've heard thus far in response is \$6 million has been spent to date.

**Hon. Mitzie Hunter:** Well—

**Mr. Lorne Coe:** Let me just finish my question, please, Minister. What I'm asking for is, can you here today—and if you can't today, can you provide us with an accounting of how the additional \$6 million has been spent? Because obviously, it hasn't been spent in the way it was announced.

**Hon. Mitzie Hunter:** As I said, we will endeavour to see what we can do to look into that for you, but we are addressing the question of the allocation of those funds as it relates to the math strategy for our schools. I do want to make sure that that is understood as well.

**The Chair (Ms. Cheri DiNovo):** Mr. Coe, you have under two minutes.

**Mr. Lorne Coe:** Thank you very much, Chair.

What you just said to me is that you've undertaken to provide this committee and the committee members with an accounting of where the additional \$6 million that was announced in April 2014 has been spent. That's my understanding. Is that correct?

You said that twice, Minister, so I'm just repeating it for the benefit of the minutes. Is that correct?

**Hon. Mitzie Hunter:** Can we just take a few minutes' break? Is that okay—five minutes?

**Mr. Lorne Coe:** This is our time, Chair.

**Hon. Mitzie Hunter:** I think I'm fine to do that.

**The Chair (Ms. Cheri DiNovo):** We'll come back to it, but what is the five minutes for, Minister?

**Hon. Mitzie Hunter:** I just need to step outside, Madam Chair. Is that okay?

**The Chair (Ms. Cheri DiNovo):** Okay. Is that okay with the committee? Okay.

We have five minutes. We'll come back at 20 past 5.

*The committee recessed from 1715 to 1722.*

**The Chair (Ms. Cheri DiNovo):** I believe we're back in session.

*Interjections.*

**The Chair (Ms. Cheri DiNovo):** If we could all be a little quieter, that would be wonderful.

We now go back to Mr. Coe. You have just over a minute.

**Mr. Lorne Coe:** Thank you, Minister, you wanted to take a break. I know you've already responded twice to my question and you've undertaken to provide the information, and I'm sure your deputy can provide it. I just need an affirmation from you, please, Minister, that you can provide the information that provides an accounting for the additional \$6 million that has not yet been spent, apparently, on the Additional Qualification courses for teachers. The only accounting that has been announced in 2016, as you're aware, I'm sure—your deputy is nodding—is that only half of that money has been used.

I'm asking you, Minister: Please provide to the committee members an accounting for where the additional \$6 million has been spent or allocated elsewhere in your global budget. Could you please provide that?

**Hon. Mitzie Hunter:** I will answer your question. The \$6 million has been spent, as the deputy has said, on professional development for teachers in the area of math. Any remaining amounts will be carried forward—and that's going towards our program in math, and we have a renewed math strategy.

I would like the deputy to speak to the details, or his assistant deputy.

**The Chair (Ms. Cheri DiNovo):** I'm afraid there's no time. We are out of time, but you can come back to it later.

Now we turn to Ms. Gretzky.

**Mrs. Lisa Gretzky:** I have several questions that are tied together, so I'm going to ask that you jot the gist of the questions down as I go and then answer them all together at the end, please.

Of the total operational expenditures, what portion is being spent directly on students via teachers, support staff or classroom resources versus administration and other non-classroom lines?

The second question is: Of the total amount allocated for full-day kindergarten, how much is actually being expended on FDK program lines, and how much is being allocated elsewhere?

The third question is kind of a two-part question. Of the total allocation of administration and governance, what portion is being spent by school boards on labour relations legal expenses? Then part A to that is, when a strike or lockout occurs, does the money for staff salaries go back to the ministry or does the board keep this money? If the boards do keep the money, are boards limited in what they can use the money for? Part B to that is, when administrative staff are performing additional duties because of a strike or lockout, can the school boards pay bonuses or additional salaries to the staff who are fulfilling the duties? Generally it's administration, so do they receive additional compensation on top of their salary for doing the work of those on strike or lockout?

**Hon. Mitzie Hunter:** Could you repeat the second question? You had five questions. Could you repeat the second one?

**Mrs. Lisa Gretzky:** I'm asking for the total allocation of administration—no?

*Interjections.*

**Mrs. Lisa Gretzky:** Of the total amount allocated for full-day kindergarten, how much is actually being expended on FDK program lines, and how much is being allocated elsewhere?

**Hon. Mitzie Hunter:** Okay, I will start, and then I'll ask my deputy and colleagues to provide you with the details.

I think what's important in terms of our investments that we're making in education and together with all of our education partners—we talked about the importance of acknowledging that relationship between the classroom teachers and, really, the entire education system, whether it's principals or vice-principals, in the delivery of learning outcomes for students.

You asked about operating expenses and how much of that is going towards the classroom learning. I would say

that the majority of the budget that is allocated, and let me make sure I give you the exact amount—it's \$22.9 billion in funding that is being put into education, an increase of 59% since 2002-03. This is going towards our students—

**Mrs. Lisa Gretzky:** Okay, can I just interrupt on that? Because you mentioned there has been an increase in funding. Has there actually been a dollar-amount increase? Say there was 22-point-something-billion dollars spent in the last go-round. Is that number actually significantly larger?

**Hon. Mitzie Hunter:** Yes, let me answer that.

**Mrs. Lisa Gretzky:** Or are you using that number based on there being fewer students in the classrooms, and therefore what you're saying is that \$22 billion is more money because there are fewer students?

**Hon. Mitzie Hunter:** That's exactly the point. Despite the fact that we have declining enrolments, our per pupil funding—it's an increase in dollar amount. More than \$4,500 on a per student basis has been increased. It's now \$11,709 per student that's being allocated. It's an increase of 63%.

**Mrs. Lisa Gretzky:** Maybe to that point, could you tell me if the needs of the students have actually decreased? The needs of the students that are still in the classrooms, in the schools: Have the needs of those students decreased, specifically those with special education needs?

**Hon. Mitzie Hunter:** I think that special education is such a great place for us to really look at those investments, because we are actually spending \$2.7 billion on special education.

**Mrs. Lisa Gretzky:** But in fact, there are 25 school boards that now have less money for special education funding, and many boards are pulling funding from other envelopes, from other areas, in order to pay for special education. So I would argue with you that it's sufficient funding.

Anyway, I would like to also have my other questions addressed.

**Hon. Mitzie Hunter:** I'm going to pass it on to the deputy to provide that.

**Mr. Bruce Rodrigues:** Thanks, Minister. Executive director Josh Paul will give you specific numbers, MPP.

**Mr. Josh Paul:** Thank you for the questions.

**The Chair (Ms. Cheri DiNovo):** Could you introduce yourself again? Thank you.

**Mr. Josh Paul:** Josh Paul. I'm the executive director of education finance in the Ministry of Education.

I'll see if I got them all.

In terms of what is spent on the classroom, if we look at the total—

**The Chair (Ms. Cheri DiNovo):** Could you speak right into the microphone, please? Thank you.

**Mr. Josh Paul:** Certainly. My apologies.

In terms of the overall Grants for Student Needs, there are basically two components. There are the Foundation Grants, which are monies for the classroom and monies for school principal, vice-principal and staffing. Then

there are a whole host of grants that augment those foundational grants for special purposes.

In terms of the overall spending on the classroom, what you can see is that there is \$10 billion directly spent of the \$22.9 billion on the classroom.

In terms of overall administration, the School Board Administration and Governance Grant is approximately \$600 million of the total \$22.9 billion.

1730

I think the third question, if I understand it correctly, was what proportion is spent on FDK—

**Mrs. Lisa Gretzky:** Of the total amount that's allocated for full-day kindergarten, how much is actually being expended on the FDK program lines, and how much is being spent somewhere other than FDK?

**Mr. Josh Paul:** In terms of the overall amount on FDK, there is a very explicit amount set out in the Pupil Foundation Grant. I'd have to follow up on the exact proportion of the total \$10 billion that is generated by FDK.

I also don't have the proportion of spending on FDK. I would have to follow up to see if that data was available, if we cut the data that way when we collect information from the school boards.

So I'd have to follow up on both of those points.

I think the third question you had was, during a strike situation, is the board allowed to keep some of those savings, or does it flow back to the ministry?

**Mrs. Lisa Gretzky:** Yes. You did skip ahead, but we'll do that, and then I'll go back. It's fine.

**Mr. Josh Paul:** Okay.

**Mrs. Lisa Gretzky:** There was a lot, so it's easy to miss.

**Mr. Josh Paul:** Yes.

**Hon. Mitzie Hunter:** To your third question—

**Mr. Josh Paul:** Oh, thank you.

**Hon. Mitzie Hunter:** —around admin and governance labour relations and—

**Mrs. Lisa Gretzky:** Yes. How much do boards spend on legal expenses when it comes to labour relations?

**Mr. Josh Paul:** In terms of the exact expenditure, that would be covered off within the overall School Board Administration and Governance Grant. I don't have the exact expense on labour relations per se, but the government has put forward a specific amount of funding—it's around \$4 million—that flows to boards, that they in turn flow on to trustee associations as their bargaining representatives. That is an amount that flows quite transparently to the GSN.

Whether or not boards also have additional costs or bear additional burdens is not something I have the information on, but with the advent of the School Boards Collective Bargaining Act and the trustee associations playing their role, most of the burden associated with bargaining would fall on trustee association representatives. So, really, that \$4 million is a good proxy.

**Mrs. Lisa Gretzky:** Okay. So you don't track individual boards and how much they spend, of what they receive, on legal costs?

**Mr. Josh Paul:** Not that I'm aware of. I would have to follow up.

**Mrs. Lisa Gretzky:** Okay. Then the next one, which is where you went, was, when a strike or a lockout occurs, does the money for staff salaries go back to the ministry, or does the board keep that money? And if the boards do keep the money, are they limited in what they can actually use that money for?

**Mr. Josh Paul:** The money does come back to the ministry. The boards are allowed to make application to keep a certain amount for extraordinary expenses related to dealing with the strike or lockout situation.

Your question as to whether or not they have the ability to use the funds in particular ways—and in particular, I think you mentioned bonuses—

**Mrs. Lisa Gretzky:** Yes, that was the second part of it. When administrative staff are performing the additional duties because of a strike or a lockout, can the school boards pay them additional money above and beyond their salary? Can they get bonuses—

**Mr. Josh Paul:** I would have to follow up on that question. I don't know the specific answer. I don't know if that's proscribed or if there's a specific mandate against that, per se.

**Mrs. Lisa Gretzky:** Okay. So it is possible, then, that they can use money they receive for staffing—during a strike or a lockout, they can use that money for something else.

What you're saying, if I'm understanding—and I know there's a regulation. There's regulation 486/98. It actually allows boards to subtract from strike savings the amount of expenses that are approved by the minister "if they are necessarily incurred by the board in connection with the strike or lockout and the amount of those expenses is reasonable in the circumstances."

What I'm wondering, then—it's saying the boards can subtract money from the strike savings. Does that money that you've given them for salaries then come back to you? You said they have to apply. Does it come back to you and then flow back to the board after they've made their case, or do they actually keep what they feel they need and then have to justify that and ask for permission?

**Mr. Josh Paul:** They keep what they need, but they justify what they need. What I don't have the answer to specifically is what kind of proscriptions we've put around the use of those funds. I would have to follow up. I don't have the answer to that question.

**Mrs. Lisa Gretzky:** Okay. I would appreciate a follow-up. That information would be somewhere, as to what boards are actually allowed to keep that money for? Okay.

Then I'm going to jump to something different. I'm going to talk about ESL students, English-as-a-second-language students.

Often, we have new Canadians, those who immigrate, or refugees, even, who come to our country. We've had a large group of Syrian refugees that have come specifically to Ontario. I think it's fantastic that we've taken them in and are giving them opportunities they wouldn't

have at home. But my concern is, when we have students coming in where English is not their first language, are there extra supports? Is there extra funding? Are there extra supports, extra resources, whether that's classroom teachers, psychologists, support staff, or those that specialize in the language of these students? Are they then put into place? We have schools that get a large number of refugees or immigrants. Is there some sort of program in place in order to identify the schools that need the extra support, and is that support given?

What I'm hearing is that many schools have an influx of Syrian refugees, and there are no additional supports put in place for these students, who need mental health supports, who need counselling, who need language assistance. They have very specific, very specialized needs that are not being met. Often, what that does is create additional mental health issues for them. They have a feeling of not fitting in. They don't understand the language, so therefore they can't possibly thrive in a classroom where all they're speaking is English. Is there money set aside that flows to the boards for that? If so, how is that, for lack of a better word, activated through a school board in order to get those additional supports?

**Hon. Mitzie Hunter:** First of all, I want to say that supporting children and youth, to get that support that they need, is an absolute focus. Ontario welcomes newcomers—over 100,000 each and every year. Our schools are one of the first places that a newcomer child will go. Our schools are welcoming places for students who come from around the world.

We forecast approximately 4,000 Syrian newcomers coming in, based on the latest wave. We absolutely provided additional supports to school boards so that they would be able to provide the necessary additional supports, whether it's language supports or other types of supports, as students are adjusting to their new environment.

I'd like the deputy to fill in as well.

**Mr. Bruce Rodrigues:** Thanks, Minister. There are two parts to that question, MPP Gretzky. We'll have executive director Josh Paul respond on the monetary resources that you're speaking about—if they get extra funding to support that. Then I'll have the ADM, Janine Griffore, speak about the supports that are available around that particular piece.

**Mr. Josh Paul:** Josh Paul, finance.

The Grants for Student Needs are based on two count dates, in October and March. When newcomers come in and they're captured in either of those count dates, the GSN will automatically adjust and flow funding to boards for those pupils.

In the case of Syrian refugees, the ministry has made a special request of boards to track any additional costs above and beyond the usual GSN costs to ensure that the ministry is aware and can make a decision about what types of supports and additional funding to put in place above and beyond the normal GSN costs.

The funding automatically will adjust over time, but there is a bit of a lag. In the interim, we're collecting

information about the extraordinary costs associated with Syrian students.

**Mrs. Lisa Gretzky:** If boards have to track the newcomers—and I just mentioned Syrian refugees because it's the latest, but it happens in many instances with newcomers to Canada. Often you will find that they live in one particular school community because they are with others who share cultural similarities and the same language. So you often find schools that have a large group that will suddenly come.

It's my understanding, then, that when we have school boards that are already strapped for money and are required to produce a balanced budget, and are already cutting, oftentimes, programming and staffing—in many cases, you'll find that schools do not have all the mental health supports that they need because of funding, so they're expected to absorb the cost of providing very valuable and necessary services for these students. At some point, they'll be reimbursed for the costs they've absorbed on the front end. Is there a timeline for that, or at what point does the funding flow before a board actually has to absorb the costs? When is there going to be a plan in place to provide the language supports and the mental health supports to newcomer students, especially when you're talking about a large group that comes from a similar culture or a similar language? When is that going to be—rather than being reactive—proactive?

**Hon. Mitzie Hunter:** I just want to also touch on the supports other than language supports, because mental health—you mentioned that. Many of these children might have experienced trauma. How do we handle that? It is important to note that we are providing funding for mental health leaders in each of the 72 boards, so that that resource is there within the board. We also fund school boards so that students across the province have access to social workers and youth workers. There's a team approach.

1740

I want to give the deputy a chance, as well as the assistant deputy minister.

**Ms. Janine Griffore:** Janine Griffore, assistant deputy minister, French language, aboriginal learning and research division.

In terms of our Syrian newcomers, the Ministry of Education, prior to welcoming our Syrian newcomers into the schools, put a committee in place, a working group in place. Through that working group, we were receiving comments from directors of education. Concerns from directors of education were coming into the ministry. One of the first concerns was around, specifically, the initial language assessments. The Ministry of Education reached out to Retired Teachers of Ontario and trained a number of new, initial language assessment teachers to be able to conduct those assessments so that boards who did not have the necessary supports in place or resources in place had an opportunity to draw from that pool in order to be able to—

**The Chair (Ms. Cheri DiNovo):** Ms. Gretzky, you have about a minute left.

**Ms. Janine Griffore:** —to be able to place those students in terms of their language acquisition.

Also, in terms of the School Mental Health ASSIST, the Ministry of Education did put additional supports in place for our Syrian newcomer students. School boards, on an ongoing basis, were able to communicate, to the Ministry of Education, needs and the ministry did in fact respond to those needs by adding additional supports.

There's also, basically, a lifelong learning committee that was put in place. Education was working with the Ministry of Advanced Education and Skills Development, meeting with community members. The Ministry of Education was not alone in responding to those needs. We reached out to a variety of community groups and organizations that would be—

**The Chair (Ms. Cheri DiNovo):** I'm afraid that the time is up now for the third party questions. We will move to the government side. So if you would like to finish, it's up to you.

Ms. Kiwala.

**Ms. Sophie Kiwala:** We don't have too much time left—but maybe if you want to come back at the end if there are a few minutes. I've got a few things that I would like to cover. Can you hear me okay? Yes.

There are a few things that I want to address today, and I want to pick up on a couple of things that I've heard around the table today.

There was a comment made about the fact that high school students now don't know how to meet a deadline when they get into university. I have two children who have just finished high school, and I can tell you, categorically, that they are pretty good at completing deadlines. My youngest girl has just gone into first year at Queen's University. She attended one of our Ontario secondary schools in Kingston and the Islands.

I also want to welcome Paul Kossta here today, from OSSTF and acknowledge the work that is being done through our high schools. We have a lot of very, very positive things to say about our local high schools in Kingston and the Islands. I've had some great experiences there.

Another comment was made about blowing your horn about the stats. One thing that I do want to say about that is that stats are at the nugget of evidence-based approaches to education. I think it's something that we have to work with, and if we're not working with our stats, then what are we doing?

I also want to talk a little bit about split grades. There was an article in the Globe and Mail in 2015, September 17, with the title, "Are Split Grades Something to Worry About?" It was a very interesting article. Annie Kidder, who was the executive director—you've probably read the article—is also the co-founder of People for Education, an Ontario-based organization that supports public education in all of the school boards. Her comment was, "And the evidence is that there is no negative impact on academic success."

Again, as MPPs, we always go back to our own personal experiences. My children have gone through the

public school system. They have been in mixed classes almost all the way along. The one thing that I think is absolutely fantastic about a mixed class is that younger children have an opportunity to learn more if they want to, but they also have the guidance with our excellent teacher base to get the attention that they need for the grade that they're at.

Also, children who are in the older class or the older grades also have an opportunity to do some nurturing and to do some guiding of the younger students. It's an excellent opportunity and it's something that for some children, as was described in that article—there was one student who was a little bit shy and had the opportunity to do some mentoring right within the classroom of a younger student, and apparently the courage that he developed from the opportunity stayed with him throughout the rest of his academic career. I think that it's important to put these things into context.

Also, with respect to split classes, it's something that's being used quite frequently in other countries because of its high success rate, such as Australia, France, Switzerland and the Netherlands. New Zealand, which has the highest literacy rate in the world, routinely groups children in different grades in the same classroom.

I think it's important to bring out concerns that are really pertinent about education, and I'm looking forward to hearing more about what you've got to say.

But the question that I would like to focus on today is about Treaties Recognition Week. Last week, as you know, was Treaties Recognition Week. As the parliamentary assistant to the Minister of Indigenous Relations and Reconciliation, this is something that's pretty important to me. I also want to talk a little bit about how important Treaties Recognition Week is. I had an exceptional opportunity to be present at a treaty signing in Chapleau Cree on one of the trips that I made with the ministry, actually. I was representing the Minister of Indigenous Relations and Reconciliation.

To be present during that time and to understand how critical the resolution of these treaties are within the First Nations community is extremely important. You have an opportunity to see four levels of government, including the First Nations government, coming together and deliberating about all aspects of the treaty.

1750

The Ministry of Natural Resources and Forestry plays a very key role in those negotiations, as do the surveyors, who will make sure that they carve out the actual space of the land that's in question.

Treaties Recognition Week was very, very important for the Ontario government and their commitment to reconciliation with our indigenous partners. I know that it's evident in the Ministry of Education's efforts to provide teachers with resources for the classroom that explain what treaties are, and that our government is serious about learning from our past and embracing the future. We can't get better as a society and we can't truly reconcile with indigenous people in the province unless we recognize what has happened in the past.

I know that you have been doing quite a bit of work on developing resources for the Treaties Recognition Week, to provide First Nation, Métis and Inuit students in our publicly funded school system with the resources that they need. I'm hoping that you can talk a little bit about that. I know it's a source of pride for the ministry, so I'm looking forward to hearing what you have to say to that.

**Hon. Mitzie Hunter:** Absolutely. I believe that it's a source of pride for the ministry and for this government. I couldn't be more proud of the opportunity to participate and to be part of this moment in Ontario's history, frankly.

At the launch of Treaties Recognition Week, Minister Zimmer and I were at David Bouchard school in Oshawa and met Alex. Alex, apparently over the two years, has grown about a foot. Everyone was very proud of him. I think he's about 10 years old now. He had made a wampum belt which illustrates the Treaty of Niagara and the friendship that was established through that treaty. He made it out of Lego. It's purple and white. Apparently, Lego only makes certain quantities of purple Lego. So with the demand being created by this tool that's in all our elementary schools—which is a teaching aid to help our schools and our classroom teachers really teach all of our students, our indigenous and our non-indigenous students, about the history of treaties. In meeting Alex and going from classroom to classroom—the learning was so powerful. It was so incredible. One boy said to me that he had learned more in the three weeks that they were learning about treaties than he had in the last three months in history because it was deep learning. It was interactive. They were interested in it. It was very real.

I really want to commend our government for showing this leadership. Last May, many of us were there when the Premier apologized for Ontario's role in the legacy of residential schools, and really affirmed our commitment to reconciliation with indigenous people in Ontario. That's not just something we're talking about.

The fact that that same month, Minister Zimmer tabled legislation in the House that declared the first full week of November every year as Treaties Recognition Week in Ontario really shows our commitment. I couldn't be prouder, as Minister of Education, that that initial start was right in our schools because, you know, as Justice Murray Sinclair said in the commission report, education heals. You could really see that in the learning that's occurring in our classrooms as it relates to Treaties Recognition Week.

I have more to say on this but I wouldn't mind the deputy just talking about the investments and how they're unfolding.

**Ms. Janine Griffore:** In terms of Treaties Recognition Week, it's basically the beginning of a long journey and it's the beginning of reconciliation. As the minister

indicated, indigenous education is not just for indigenous students; it's for all students. It's to grow the knowledge and awareness of all students around indigenous histories, perspectives, and ways of being and knowing.

Around Treaties Recognition Week, specifically, the Ministry of Education—prior, I should say, to Treaties Recognition Week—had an indigenous leads gathering. At that particular gathering, we had representatives from all 72 school boards in Ontario come in and share best practices around presenting indigenous education in our schools. That gathering was a day and a half of sharing and of reaching out to community members, because this is very much around not only the Ministry of Education providing the resources but working very closely with our indigenous partners and organizations in this reconciliation journey.

We have struck a joint committee, a steering committee, with our indigenous partners on developing curriculum, specifically around treaties but also around residential schools and indigenous ways of knowing and perspectives. We are in the process of co-developing curriculum. This is a new opportunity for us at the Ministry of Education. As we co-develop this curriculum with our partners, we are in fact growing in that reconciliation journey. What we're providing our teachers are opportunities of not only receiving the curriculum but also providing input into that process. It's a longer process when you co-develop curriculum, but you have greater ownership and a greater understanding of what we need to do in order to ensure that we also grow our indigenous student achievement levels, close gaps between our indigenous students and non-indigenous students, and really be able to move to a place of reconciliation which—

**The Chair (Ms. Cheri DiNovo):** Under a minute left now, Ms. Kiwala.

**Hon. Mitzie Hunter:** I do want to underscore the learning that's occurring in the Ontario curriculum. It's really important. When we speak to the indigenous elders, they tell us that it's important that children see themselves in Ontario's curriculum. Our First Nations, Métis and Inuit need to see themselves in the curriculum, and that's exactly the work that is being undertaken together. It's a co-development that is occurring. It's addressing the residential schools and the legacy of residential schools.

You might have remembered, during the Premier's apology, Elder Andrew talking about his experience in residential schools. There was such deep emotion that was shared that day.

**The Chair (Ms. Cheri DiNovo):** I'm afraid that brings our time to an end, Minister, and to the committee. We stand adjourned until tomorrow at 3:45 in room 151.

*The committee adjourned at 1800.*

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(Hansard)**

Wednesday 16 November 2016

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(Hansard)**

Mercredi 16 novembre 2016

**Standing Committee on  
Estimates**

Ministry of Education

**Comité permanent des  
budgets des dépenses**

Ministère de l'Éducation



Chair: Cheri DiNovo  
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## **CONTENTS**

Wednesday 16 November 2016

Ministry of Education.....	E-267
Hon. Mitzie Hunter	
Mr. Bruce Rodrigues	
Mr. Grant Osborn	
Hon. Indira Naidoo-Harris	
Ms. Shannon Fuller	
Mr. Josh Paul	
Mr. Martyn Beckett	
Ms. Cheri Hayward	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 16 November 2016

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 16 novembre 2016

*The committee met at 1559 in room 151.*

## MINISTRY OF EDUCATION

**The Chair (Ms. Cheri DiNovo):** Good afternoon. We are now going to resume consideration of vote 1001 of the estimates for the Ministry of Education. There is a total of four hours and 27 minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from yesterday's meeting that the minister has responses to, perhaps the information can be distributed by the Clerk.

Are there any items, Minister?

**Hon. Mitzie Hunter:** No.

**The Chair (Ms. Cheri DiNovo):** No? Okay. When the committee last adjourned, the government had five minutes left in their round of questions. Ms. Kiwala, the floor is yours.

**Ms. Sophie Kiwala:** Thank you again for being here today. Five minutes isn't a long time for the next question that I have for you, and I'm a little bit regretful about that, but what can you do? That's life.

Today is a special day. It's the 131st honouring of the Métis Nation of Ontario. As you probably know, we had a flag-raising on the grounds of Queen's Park today.

My question for you is on the subject of the First Nations, Métis and Inuit. Looking at last year's estimates, I'm wondering if you can talk about any increased funding that is being set aside for this population for their growth and advancement through the education system. You have already mentioned Justice Sinclair's words earlier in the discussion, that education heals.

As we know, we need to do everything possible to make sure that we honour the Truth and Reconciliation report. In that vein, I would like to ask if you could respond to the funding that would be attributed to that group.

**Hon. Mitzie Hunter:** Sure. Thank you so much for your question. Our government is committed to improving indigenous education in Ontario, improving student achievement and well-being, and closing the achievement gap between indigenous students and all students. Our aboriginal educational strategy has been designed to help improve opportunities for First Nations, Métis and Inuit students, and to increase the knowledge and awareness of all students about aboriginal histories, cultures and perspectives.

In 2016-17, education funding will include an increased investment of over \$7 million to support First Nations, Métis and Inuit education. This is in addition to the \$2.7 million in funding through Grants for Student Needs and \$5 million per year over three years to respond to the calls to action of the Truth and Reconciliation Commission. The TRC funding will be used to help develop resources on the history and the legacy of treaties, residential schools and indigenous peoples in Ontario, and will also include the development of additional teaching resources, capacity building and professional learning for educators.

I know that yesterday we talked about Treaties Recognition Week and all of the wonderful and terrific resources that were available at elementary schools and secondary schools, as well as teaching resources online—it's these types of real opportunities to bring the learning into the classroom and have real, significant learning opportunities for the students.

I was visiting David Bouchard Public School in Oshawa with the Minister of Indigenous Relations and Reconciliation, and it was just incredible to see the students engaged in that learning, sharing with each other, working in teams, using many different types of learning styles. They were passionate about this. It's a difficult topic, but it was very relevant to them, and they were all learning and exchanging.

It's important to note that the work that we're doing is in collaboration with our First Nations, Métis and Inuit partners, and we will be building on the strengths of the existing curriculum in social studies, history, geography, Canadian and world studies as well.

**The Chair (Ms. Cheri DiNovo):** Ms. Kiwala, you have just under a minute left.

**Hon. Mitzie Hunter:** To implement this process, a steering committee has been established with indigenous partners to provide advice as we move forward on this process. It's a collaborative process. We're working together. They are helping to provide that input and that direction.

Our government is committed to ensuring that all students, including indigenous students, continue to achieve excellence in our education system. As part of our government's commitment to TRC, together with the Ministry of Indigenous Relations and Reconciliation, it's really wonderful to put forward these initiatives. As

Justice Sinclair says, education heals, and that's exactly what this is all about.

**Ms. Sophie Kiwala:** Thank you, Minister. I know that's certainly welcome news in my riding of Kingston and the Islands. We do have an aboriginal teachers' education program at Queen's University, which is being run through McArthur College. I know that's certainly something that they're excited about.

**The Chair (Ms. Cheri DiNovo):** I'm afraid that your time is up, Ms. Kiwala. We move now to the official opposition. Mr. Coe.

**Mr. Lorne Coe:** Welcome back, Minister, Associate Minister and Deputy Minister. Let's turn for a moment to accessibility, if we could, please. You'll all know, I'm sure, that the AODA requires Ontario's education system to be fully accessible to people with disabilities by or before 2025. For the record, Chair, that includes preschools, schools and post-secondary education and any job training programs. Minister, where is the ministry with respect to making schools accessible and where are you on the timeline, and can you provide us with an update on that timeline?

**Hon. Mitzie Hunter:** Thank you very much, Mr. Coe, for the question. I want to start by saying that we believe that every child in Ontario deserves access to a world-class education. Our government is committed to ensuring that every student has access to the supports that they need to succeed in school, including students with special education needs.

Since 2003, funding for special education has increased to \$2.7 billion, an increase of almost \$1.14 billion or nearly 70%, and our investments in special education are part of our efforts to increase student success and to close the gap in student achievement. Special education grants continue to be enveloped and protected for special education programs and services and equipment only.

I will ask the deputy to also comment, but our government is committed to ensuring that, as it relates to the AODA, accessibility for Ontarians—of course, our education system has to remain accessible. In fact, one of the aspects and features of Ontario's education system is our balance between equity and inclusive schools and places where all students are welcome and all students have a right to great education.

With the AODA, enacted in 2005, there is a recognition that greater accessibility means greater opportunities for Ontarians, and that includes our students. This is all about helping to create a more inclusive province and a more inclusive school community. Our school boards have to ensure that each school complies with all of the appropriate provincial and municipal health and safety requirements. We've made significant investments to help boards achieve greater accessibility and to ensure that students have the safe and healthy environments which they need to learn.

Since 2003, we've invested \$15 billion in school infrastructure, including \$1.1 billion in additional funding to repair and renew schools across the province. This

funding can be used to renovate and to retrofit schools and to help them to ensure compliance under the AODA. Deputy?

**Mr. Lorne Coe:** All right. Minister, before you turn to your deputy, can you speak a little bit about the level of collaboration that the ministry is undertaking with your colleague the minister responsible for accessibility?

**Hon. Mitzie Hunter:** Sure. Deputy, go ahead.

**Mr. Bruce Rodrigues:** Grant? Introduce yourself.

**Mr. Grant Osborn:** Grant Osborn, the director of the capital policy and programs branch. Talking about AODA compliance, the ministry, on the funding side, provides renewal funding to school boards. There are two components of renewal funding. There's renewal through the ops and renewal grant through the GSN, and in that component there's \$340 million for renewal funding. That's funding that boards can use to improve the accessibility of their schools to meet the AODA standards. As well, we have school condition improvement funding, which is about \$1.1 billion in this school year, and that is to address the renewals of schools. Part of that funding can also be used to address accessibility needs in the schools.

**Mr. Lorne Coe:** All right.

**Hon. Mitzie Hunter:** I also just want to say—your follow-up question was asking about our collaboration across ministries, and I think it's important to note that our government was the first to have a minister responsible for accessibility. I certainly have the opportunity to meet with the minister and her staff, as does my staff, and I'm sure that the ministry's officials do as well, because it's very important that we reflect the needs and that we're having a cross-ministry approach in our support for children with special needs, and with accessibility needs specifically.

I also have the privilege of having the former Lieutenant Governor for the province of Ontario, the Honourable David Onley, who is an alum of the University of Toronto's Scarborough campus—I get the privilege, really, of seeing Mr. Onley on a regular basis and talking about how we build and create spaces that are more accessible and making sure that we create opportunities for children with special needs, which is exactly what we're doing through many of our programs and our initiatives. When you look at the programming that we provide in Ontario, it's to ensure that all students have that opportunity.

## 1610

Over the weekend, I was at Bloorview children's hospital. We are leading, in fact, the world in the adaptation of robotics. They call them "bots." The children are putting together robots, and they're learning about STEM. They're learning about science, technology, engineering and math. This program has been adapted to children with disabilities. It's in partnership with FIRST Robotics. It's the first of its kind in Canada and, we believe, the world.

These are the types of innovations that we're doing. We want to ensure that children with special needs have every opportunity to achieve their full potential. The

funding we're providing is for a more fair and equitable system for all of our students. We're being responsive; we're making the changes that are needed.

**Mr. Lorne Coe:** Okay, Minister, I'm going to interrupt you because I really want to drill down on this. What I'd like to understand to begin, Minister, as the leader of the ministry, is: Has there been a comprehensive review from the top to the bottom of the education system in terms of how well you're meeting the accessibility standards?

It's one thing, as the ministry staff just did, to speak about the level of investment, but I think what I'd like to hear is the extent to which there has been an evaluation, top to bottom, of the extent that you're meeting the tests not only of students but of the educators as well, and the parents. Because it's not necessarily when a student comes in with a challenge; sometimes that challenge occurs in the education stream. There are three parts to this.

If you could speak to the level of assessment that's ongoing through the education system—yes, it's accomplished with partnerships, but it's driven through your leadership, so I'd like you to speak to it, please.

**Hon. Mitzie Hunter:** I thank you for recognizing that leadership, because as Liberals, that's why we're here in estimates: to answer your questions as the minister responsible.

We believe that every child in Ontario deserves access to that world-class education. That's why, when you look at our commitment to special education, our funding has increased to \$2.76 billion—an increase of \$1.14 billion, nearly 70%, since 2003.

Deputy, I would like you to speak to the specifics around how we measure the progress on AODA.

**Mr. Lorne Coe:** And, Deputy, be specific in the categories that I'm probing, please. I want to get that on the record.

**Mr. Bruce Rodrigues:** Sure. Let's start with facilities in terms of how we've spent some money on that.

**Mr. Lorne Coe:** The funding is one level, but I want you to get into the level of specificity about how you're doing this, how you're going to meet the deadline, and what checks and balances you already have in place and will be putting in place. As we sit here today, there's not an educational accessibility standard—and I'll come to that in a moment—so I'll listen carefully to your answer.

**The Chair (Ms. Cheri DiNovo):** Just a note: Deputy Minister, could you introduce yourself when you speak into the microphone, as well? Thank you.

**Mr. Grant Osborn:** Hi. So I'll talk a little bit about—sorry. Grant Osborn, the director of the capital policy and programs branch.

In terms of our assessment of need, one thing that we're going is a five-year cycle of review of the facility conditions of schools. We've just started a new five-year cycle. Part of this cycle—we're adding to it—is the accessibility: the environment on the ground in those schools. We're comparing it to the Ontario building code, which is what boards build to. That is the standard that

boards build their schools to. That's for new schools or if a school is going to have major work done that would basically require that school to be brought up to code. As part of that five-year cycle, we are reviewing the accessibility needs of schools in terms of comparing them to the building code.

**Mr. Lorne Coe:** So in reviewing them, do you have audit reports that you can share with the committee?

**Mr. Grant Osborn:** There are reports produced at each school when those facility assessments are done. Each school, after it is assessed—we have a third-party engineering firm that does produce a report, yes.

**Mr. Lorne Coe:** Can you share those?

**Hon. Mitzie Hunter:** Sorry, I want to also say that the facility condition index measure is a very detailed measure. It's the first of its kind in Ontario. It took five years to assemble that information, and through the boards, that information has been verified.

It's assisting the boards, in fact, in the renewal and in the repair funding that's being provided to the boards. We've brought that funding up, with the additional \$1.1 billion, to \$2.7 billion over the next two years for boards to address their renewal needs. But the FCI, which is available, has really given the boards the tools that they need to be able to look at their facilities and to make the determination of what those priority areas are to meet those initiatives.

Obviously, health and safety are top priority. That is not what we're talking about here; health and safety needs have been addressed. This is about the actual condition of the building. That audit has been done and the boards have that tool available to them.

**Mr. Lorne Coe:** Minister, I'm talking about barriers and removal of barriers. If the deputy can speak specifically to the top to bottom-down assessment, how that process is under way, how that's working and what the results have been—can that happen, please? Because I'm hearing about the money, and that's one aspect, and I'm hearing that there's a five-year cycle, but I want to hear the specifics of how barriers are removed for students with existing disabilities, teachers with assisting abilities, how that was done, and if there are reports on the extent to which you're meeting those particular targets. That's what I'd like to hear.

**Hon. Mitzie Hunter:** Well, that's exactly the view we're providing. When it relates to our government's commitment to ensuring that every student has access to the supports that they need to succeed in school, including students with disabilities, we know that one in seven people in Ontario has a disability. That's 1.85 million Ontarians. By 2036, that number will rise to one in five as our population continues to age.

Just this year, we've appointed a minister responsible for accessibility. It's the first time in the history of this province that that has been done. With the Accessibility for Ontarians with Disabilities Act, we were the ones to put that forward in 2005. It has recognized that greater accessibility means greater opportunities for Ontarians.

Our school boards have that responsibility to ensure that they're meeting provincial standards, municipal standards—

**Mr. Lorne Coe:** I understand that, Minister. I'm going to have to interrupt you because I need to get an answer.

**Hon. Mitzie Hunter:** We're also making that investment—

**The Chair (Ms. Cheri DiNovo):** One at a time, please. Minister, could you finish?

**Hon. Mitzie Hunter:** We're making that investment. When it comes to the repair and the renewal that our schools need, we've invested \$15 billion since 2003 in school renewal infrastructure, and that includes funding to repair and renew schools so that they can renovate and retrofit schools so that they are in compliance with AODA requirements.

That commitment is there. The school boards have the facility condition index as an additional tool that has been assessed. What they're able to do, really, is to have their priorities set out, and those priorities are supported by the funding that is being provided by the ministry.

If there is additional information you'd like to provide on the AODA, that's fine.

**Mr. Lorne Coe:** Deputy, could you speak, please, directly to my question: the extent to which there's been a comprehensive review of the education system from top to bottom in terms of the extent of compliance with the expectations of the accessibility standards?

**Mr. Bruce Rodrigues:** Deputy Coe, there is no single report for that. If you're looking for a single report where all of that has been compiled together, there is none. What we do have, however, is that boards have the responsibility to work with us in doing that, and so they're currently establishing baselines as to where they sit and what needs to continue to be completed in order to meet those standards.

**Mr. Lorne Coe:** Is that reflected in the five-year report that your colleague to your right spoke to?

**Mr. Bruce Rodrigues:** That's correct.

**Mr. Lorne Coe:** Can that report be provided to the committee?

**Hon. Mitzie Hunter:** As I said, we will endeavour to see what we can do. The information as I've outlined to you—all of the 5,000 schools, or close to the 5,000 schools, in the province have been assessed over this five-year period. The school boards have reviewed that particular information. It allows the school boards to have the data and the evidence that they need as they determine what their priority needs are.

1620

As we're providing funding for repairs and renewal, that funding has, over a two-year period, been brought to \$2.7 billion so that boards have what they need to keep the schools in a good state of repair. We know that having those better buildings is very important for students. It means that they're learning in a better environment. That includes the accessibility needs for our special needs students as well.

**Mr. Lorne Coe:** Deputy, I think you were going to acknowledge that the five-year report would be available. Is that correct?

**Mr. Bruce Rodrigues:** No. We don't have a single report, MPP Coe. Each of the schools has a report as part of their assessment. There is no single report that we can provide you, with all of the assessments.

**Mr. Lorne Coe:** So sitting here this afternoon, you can't tell me whether each of the boards here in Ontario is fully compliant with the accessibility standards.

**Mr. Bruce Rodrigues:** In the process of becoming compliant, correct—because we did the five-year cycle. This is the new five-year cycle that's starting, and accessibility is part of this five-year cycle. We're in the process of getting all of that information, but we don't—

**Mr. Lorne Coe:** You're in the process of getting that, and it will be completed by when?

**Mr. Bruce Rodrigues:** The five-year cycle will be completed prior to the deadline of what's expected.

**Mr. Lorne Coe:** All right. Minister, I attended an accessibility forum on the weekend with your colleague, as you probably know. Out of that discussion, there was a discussion about the extent to which there would be a willingness on your part, and the minister responsible for accessibility's part, in considering the development of an educational accessibility standard. What's your view?

**Hon. Mitzie Hunter:** My view, as I've said, is that we are very committed to ensuring that students have access and that they receive the supports that they need to be successful in our schools. Students with disabilities are receiving that support. I gave you a great example of accessing STEM and 21st-century learning, taking that right into Bloorview children's hospital, where they're interacting with the latest technology adapted to their needs.

This is something we're very committed to. I know that this is a priority for the school boards as well. My mandate letter from Premier Wynne talks about special needs and our commitment to students with special needs, including students with disabilities.

When you look at the investments that we're making, when you look at the increases that we're making to special education, you can very much see that our government is committed.

As it relates to the environments in which students learn, that's exactly why we have increased the funding on our renewal and our repair needs to \$2.7 billion over two years, so that school boards can make those priority decisions, including any renovations that are required to meet accessibility standards.

As the deputy minister has said, the facility condition index, which has reviewed all of our schools—nearly 5,000 schools in Ontario—is a tool that is now available to school boards. As part of the go-forward renewal cycle, there will be an enhanced focus on the accessibility needs.

**The Chair (Ms. Cheri DiNovo):** Mr. Coe, you have about a minute left.

**Hon. Mitzie Hunter:** We recognize that this is a priority. It's a growing priority, based on the numbers that I've just pointed out to you, with one in seven people in Ontario having a disability. We want to ensure that our students are learning in the best possible environment, including our students with special needs and special education needs and requirements.

**Mr. Lorne Coe:** You should know that the AODA Alliance, led by David Lepofsky—

**Hon. Mitzie Hunter:** I've met with him as well, in my office.

**Mr. Lorne Coe:** Just let me finish my comment for a moment, please.

**Hon. Mitzie Hunter:** We had a very good conversation.

**Mr. Lorne Coe:** Chair?

**The Chair (Ms. Cheri DiNovo):** If you could just let him finish. Thank you, Minister.

**Mr. Lorne Coe:** Thank you. At the particular forum that I participated in with your colleague—you can anticipate that Mr. Lepofsky will be coming forward and raising some of the points that I raised here with you. Also—

**Hon. Mitzie Hunter:** As my colleague has said, the minister responsible for accessibility, this is an important priority for our government. Ontario is leading in the area of accessibility.

**The Chair (Ms. Cheri DiNovo):** I'm afraid that is it. We'll now move to the third party: Mrs. Gretzky.

**Mrs. Lisa Gretzky:** My first question is around child care. I know that the minister will probably answer it by talking about the number of child care spaces that they've just announced, but frankly, before that announcement, and since, nothing has changed: Child care is still unaffordable in this province.

I'd like to know if the government will cap the cost of child care in Ontario and, beyond that, what actions will the government take to ensure child care is actually affordable? And before you mention eliminating the wait-list fees, we're all well aware of that. In fact, it was the NDP that pushed for that. So, although we and families appreciate that you actually listened and removed the fees, I'm speaking specifically to the fees that parents pay for the actual child care service, so the day-to-day costs for child care. Will the government cap the cost of child care, and then, what additional actions will you take to ensure that child care is affordable?

**Hon. Indira Naidoo-Harris:** So I want to start out by thanking you, MPP Gretzky, for this very important question.

As you know, I've been having conversations over the last little while with a variety of people in the sector, so certainly, parents and early childhood educators and experts in the field and community leaders. I couldn't agree with you more that ensuring that our children get the best start in life of course had to include the idea of accessibility and affordability. In the conversations that I've been having in the last little while—I recently returned from a trip up north. I went to Thunder Bay, I went to Moosonee and I visited Moose Factory, but in

addition to that, I had some conversations in and around the GTA with various leaders, including in Ottawa, where we spoke to early childhood educators. Absolutely, the issue of accessibility and affordability are deeply tied together. This is something that I am hearing from parents and experts in the field.

I want you to know that I understand and we understand that Ontario families are facing challenges when it comes to finding affordable child care. I think that's why the Premier really wanted to shed a light on this specific age group and this sector, because if we are going to succeed as a province, we have to ensure that our children are taken care of, so that families who want to choose to head to work and be contributing to our society in a way that involves going to work and being part of the economy have that peace of mind when they head off.

So, yes, I've heard from many people that safe, high-quality child care does have to mean also funding and has to mean subsidies. Yes, we're making this historic investment that is going to transform the early years and child care system—

**Mrs. Lisa Gretzky:** But does that include a cap on child care costs?

**Hon. Indira Naidoo-Harris:** —it's why affordability is part of the conversation.

I want you to know that the reason why I'm concentrating on the conversation part is because we really want to talk to people in the sector—parents and so on—and find out what they need. To some extent, what we are trying to do is—that accessibility part really means ensuring that people have choices in different ways. Certainly, there are child care centres, there are home centres, and some people choose to use someone in their neighbourhood and so on. We feel that the government should not really be dictating what kind of child care you take and what you do; we want to be able to give people that accessibility. The conversations I've been having are precisely about what it is that people in this area, and parents specifically, would like us to do.

I can tell you, in the commitment that we've made for the \$100,000, which I know is a part of the conversation—

**Mrs. Lisa Gretzky:** Rather than wasting my time that I have for questions, I would actually like you to address the question I've asked, so not talk about how you're talking to people, because we've heard that. I actually want to know: Like in Alberta, are you going to place a hard cap on the cost of child care? That's what parents need. That's the question I've asked. Are you committed to providing or to putting out there a hard cap on child care costs in order to make it financially accessible to families? I know you've been talking to a lot of people. That's great. I want to know: Are you now planning on acting and putting a cap on the cost of child care to make it accessible to families?

**Hon. Indira Naidoo-Harris:** So again, thank you for that question. Once again, I'd like to tell you—

**Mrs. Lisa Gretzky:** And I'd thank you for an answer to the question.

**Hon. Indira Naidoo-Harris:** No, I get it. I get where you're coming from, but the bottom line is that families out there are not saying that they want it this way or that way; they're giving us ideas on various levels.

I will have my associate deputy minister, Shannon Fuller, continue with this, but what I do want you to know is that we've set aside between \$600 million and \$750 million to go towards operational costs, which will involve subsidies, absolutely. How those subsidies are moved forward: We are leaving it to parents to let us know what they really want.

1630

The cap you're suggesting is one form, but it's not the only option. I'd rather not dictate to parents what they should be getting; I'd rather get some feedback from them, and that's where we are at this point. Certainly, my associate deputy minister can give you a more fulsome answer on this.

**Mrs. Lisa Gretzky:** And that's great, if I'm going to get an actual answer to the question, which is: Is the government going to cap the cost of child care? Like Alberta, which is clearly leading the way over the province of Ontario and the Liberal government here—not only have they capped the cost, but there are still subsidies available to families on top of that.

I do have other questions, and I don't want you taking all my time talking about how many child care spaces you've created and the lovely conversations you're having. I specifically want an answer to: Will the government cap the cost of child care in this province?

If that can't be answered, Chair, then I would like to move on to my next question.

**The Chair (Ms. Cheri DiNovo):** Could you say your name, please, first?

**Mr. Granville Anderson:** Chair?

**The Chair (Ms. Cheri DiNovo):** Yes, Mr. Anderson.

**Mr. Granville Anderson:** Can we have a little civility in here, please?

**Mrs. Lisa Gretzky:** Chair, out of fairness, the member who is asking for civility was just sleeping in his chair, while the member from the PC caucus—

*Interjections.*

**The Chair (Ms. Cheri DiNovo):** Okay, order.

We're going to move to the assistant deputy minister. Please state your name and attempt to answer the question.

**Ms. Shannon Fuller:** Good afternoon. Shannon Fuller, assistant deputy minister, early years division.

In terms of the question as to whether there will be a cap, that's not something that I can answer. As the associate minister has said, we are looking at a variety of different options as part of the renewed policy framework that we are in the process of engaging upon. Then we will be looking at policy considerations as we move forward.

I do think that it is important to note that the government currently spends over \$1 billion a year in operating funding, which does go toward subsidies for families to help in regard to the cost of child care across the province.

In addition to that, one of the biggest cost elements of child care really is around the staffing and wages of child care centres. The government is also investing \$269 million over the next three years to support wage enhancement for eligible child care educators within our sector. Certainly, that has been a large support, in addition to a number of other opportunities that have been provided through capital funding in school-based child care and others.

**Mrs. Lisa Gretzky:** Okay, thank you.

The next question is: School board operating grants increased from 2015-16 to 2016-17 by 3.2%. The 2016-17 briefing book states that the change primarily reflects increases in operating costs, including utilities, transportation and negotiated agreements.

My question is: Can you specify how much of the change was due to an increase in utilities, and what that translates into dollar values? I know the grant went up ever so slightly and not enough, but I want to know how much of that increase was directly related to the cost of hydro, and what the dollar value is attached to that—the cost of utilities, sorry.

**Hon. Mitzie Hunter:** Sure. Deputy, I'm going to ask you to address that.

I do want to say that it is important to note that the funding of these critical programs, through the Ministry of Education budget for 2016-17, is \$25.6 billion. For that year, the increases are really addressing the needs. The increased enrolment with regard to Syrian refugees—we've allowed for about 4,000 newcomers. Increasing funding for the child care sector, of course, to support the modernization and the continued implementation of a wage increase for front-line child care workers—

**Mrs. Lisa Gretzky:** Okay, I'm speaking specifically to how much of the increase in funding went specifically for utilities, and what that dollar value is.

**Hon. Mitzie Hunter:** We're going to talk about the operating grant—

**Mrs. Lisa Gretzky:** If it's the deputy minister who can answer that, then I would actually like to know that. I would like to know a dollar value on that.

**Hon. Mitzie Hunter:** I'm addressing the increases and what's driving that—

**Mrs. Lisa Gretzky:** I acknowledge that there was an increase, but I would like my actual question answered. My question was: How much of the change was due to an increase in utilities, and what was the dollar value attached to that?

**Hon. Mitzie Hunter:** Deputy, I'm going to ask you to talk about how we handle those increases. Go ahead.

**Mr. Josh Paul:** Thank you for the question. Every year—

**Hon. Mitzie Hunter:** State your name.

**Mr. Josh Paul:** Oh, thank you. Josh Paul, education finance.

Every year, the Grants for Student Needs are adjusted in a variety of different ways after consultation and engagement with stakeholders.

One of the things that the government has consistently done, year in year out, is adjust the utility benchmark and the electricity benchmark, and also transportation amounts, to allow boards to keep up with those costs.

In 2015-16, the benchmark increase was 3.5%, I believe, based on the Ministry of Finance's long-term energy report. The exact dollar amount of that I don't have, but I can certainly look into seeing if I can provide it.

**Mrs. Lisa Gretzky:** Okay. Do you have an estimate of how long it would take to get that information, by any chance?

**Hon. Mitzie Hunter:** We've confirmed that we'll endeavour to look into that for you.

**Mrs. Lisa Gretzky:** Right, and I'm asking if there's an estimate. I'm not asking for a hard timeline, just if there's an estimate of how much time you might need. It's not a hard deadline on when it will be available. But if there's an estimate, how long would that take? Are we talking weeks, months?

**Hon. Mitzie Hunter:** I think that's exactly what we're saying, which is that we will take a look at that.

**Mrs. Lisa Gretzky:** So it's open-ended. It could be in a week; it could be five years from now before that info is—okay.

I'd like to move on to my next question. According to the 2016-17 Grants for Student Needs, the Special Education Grant decreased for 25 boards, totalling more than \$8 million, yet many boards spend more than they receive from the province on special education.

My question is, why are you underfunding students' special education needs? Again, I will reiterate, before you tell me how much more you think you've spent on special education, that 25 boards actually received less funding than they had before, totalling \$8 million—\$8 million less than they were receiving. I'd like to know why those boards are not receiving the support they need for the students with special needs.

**Hon. Mitzie Hunter:** I think it's important that we do recognize that the special education funding is increasing. At the same time—I mentioned in my earlier response the need to look at special education. It's a commitment that I made as well, right away.

When you look at, for instance, our supports for autism and the \$500 million that we've committed in additional funding for that—\$39 million from education over the next two years—those are contributing to our commitment to special education.

I want to make sure that we answer that question, because I believe that there is some great work happening in special education. There's more work to be done. We have acknowledged that; it's part of the mandate and the priorities that we have, as a government.

**Mrs. Lisa Gretzky:** But why are the 25 boards receiving \$8 million less for the students with special education needs?

**Hon. Mitzie Hunter:** Yes, we're going to respond. Go ahead, please.

**Mr. Martyn Beckett:** Good afternoon, Chair. My name is Martyn Beckett, assistant deputy minister for

learning and curriculum with the ministry. Good afternoon. Thank you for the question.

I appreciate the boards that have been articulated by the member at the table, the 25 boards. I don't have specifics on the 25 boards.

I can comment on the Special Education Grant, which is made up of six different components, some of which have been held constant over the last number of years, and some of which are very driven by student enrolment, so they're incremental. As student enrolment goes up, the size of the grant goes up. As the student enrolment goes down, the size of the grant goes down.

One example of that is the special education per-pupil amount, known as SEPPA within the system. That is entirely driven by student enrolment within school boards. If a board is experiencing a decline in student enrolment, that board will see a decrease in its SEPPA amount. If a board goes up in student enrolment, the board will see an increase.

That's contrasted by an amount that's driven for the boards, such as the behaviour expertise amount, which is another one of the six pots of money that flow to school boards. The behaviour expertise amount is an amount that's given to school boards to support the hiring of those individuals who are specialized in supporting individuals, particularly on the autism spectrum, to provide for expertise—clinical expertise, a qualified clinician or a particular level of expertise within the school board—to support the education of these children. That amount of money is not driven by enrolment. That is an amount that is independent of enrolment.

There will be boards that have increased, and there will indeed have been boards that have decreased with their overall grant, in spite of the overall amount of money from the ministry increasing over the past several years. Indeed, it increased last year.

**Mrs. Lisa Gretzky:** Does the ministry allocate resources to track students who are identified as having special education needs but aren't yet receiving the supports?

**Hon. Mitzie Hunter:** Go ahead.

**Mr. Martyn Beckett:** Thank you. Chair, would you like my name at each question?

**The Chair (Ms. Cheri DiNovo):** Once is fine. Thank you.

**Mr. Martyn Beckett:** Thank you. Through you, Chair: The amount for boards to be tracking for the students: Boards report annually the number of students who are receiving special education programs and services within the province of Ontario, so that information is reported. It's important to note that not every child who is receiving special education programs and services in Ontario is formally identified through the so-called IPRC process.

1640

**Mrs. Lisa Gretzky:** Okay. And then how long does it take from the time a student is identified until they receive supports? What's the timeline for that?

**Mr. Martyn Beckett:** Well, when a student is formally identified—if that's the way that I can explore this, if that's okay—the board is required to create an

individual education plan for that student, known as an IEP, within the system. That triggers the services, the supports, the programs that are articulated through the Identification, Placement and Review Committee and the IEP immediately upon being put in place. So it's going to be board-specific in terms of the timing.

The timelines for the production of the IEP are laid down following an IPRC. I believe it's 30 days, off the top of my head. So there are a number of days that are clearly articulated to boards, and the expectation certainly is that a child who requires special education programs and services—and those identified and articulated in the IEP—will be provided.

**Mrs. Lisa Gretzky:** Okay. And in the boards where they are already spending more than they are receiving in funding from the government for special education needs, is there an incentive to the boards to not identify students who would have special needs?

**Hon. Mitzie Hunter:** I just want to say that our commitment is to ensure that every child in Ontario is getting the supports they need. We're very committed to that from the perspective of student achievement, closing the achievement gap and making sure they have access to as full as possible educational supports. That's why we have increased the level of funding. The special education grant is enveloped. It continues to be a protected part of the special education grants. We want to make sure that these funds are going towards the students who are in need. I think that's just an important reminder for us all.

**Mrs. Lisa Gretzky:** Okay. And then the next question is: In some boards—in many boards; frankly, too many boards—bulletproof Kevlar is being purchased and provided for teachers and EAs in special education classrooms, and more and more are purchased and provided for mainstream elementary teachers. I'd like to know: What is the cost of one outfit, a Kevlar hoodie and shin guards? I'd also like to know how many boards are purchasing Kevlar personal protective equipment, and what percentage of the spec ed funding is being spent on personal protective equipment. Then I want another breakdown of how much is specifically for special education staff and how much of that is being spent on those in mainstream classrooms.

**Hon. Mitzie Hunter:** I will turn it to the deputy as well, but I want to also say that—and we've just talked about well-being as well across our ministries. Ensuring well-being is one of our four goals, and that includes for all students and our staff. Their safety and their working in an environment that is safe is absolutely a priority for us.

I think it's very important to know that. Obviously schools, principals and boards make decisions locally in their best interests in the programs they're delivering, but ensuring the health and safety and wellness of our students and staff is a key priority.

**The Chair (Ms. Cheri DiNovo):** Ms. Gretzky, you have just over a minute.

**Mrs. Lisa Gretzky:** Okay. Just to wrap that up, I'd just like to say that underfunding special education and

not giving students the supports they need and outfitting teachers and educational assistants and other support staff in Kevlar I wouldn't say is a direction that this government should be going in. In fact, the funding should increase so that we don't have to put personal protective equipment on every staff member who's working in a school and we don't have students to the point where they're not getting the supports they need and they then act out in trade for that.

The next thing I would like to ask, in my brief time, is how many schools in Ontario have been closed or are currently undergoing an accommodation review since the 2015 changes to the Public Accommodation Review Guideline. These are considered minimum guidelines. Can you tell me how often only the minimum requirement is followed when looking at closing schools?

**Hon. Mitzie Hunter:** I will get to that question. I think it's very important that—

**The Chair (Ms. Cheri DiNovo):** I'm afraid the time is up. I'm sorry.

We now move to the government side—you can continue then. Mr. Dickson?

**Mr. Joe Dickson:** Just on a point of order, if I may, through you, Madam Chair. I just wanted to say that I've known that particular individual who just went back to his seat for so long—he has a blue tie on today, but I'll get him a red one for tomorrow—as an educator, a principal and a director of education at the Durham public school board, one of the finest educators there is going east of the GTA by far. I'm very pleased to see him in this forum this evening.

**The Chair (Ms. Cheri DiNovo):** Thank you, Mr. Dickson. That is not a point of order, as you know. Government side—

**Mr. Joe Dickson:** Madam Chair, that's why I didn't mention his name. I thought it would be in conflict.

**The Chair (Ms. Cheri DiNovo):** Fair enough. And who do we have speaking on the government side? Mr. Dickson.

**Mr. Joe Dickson:** I just wish to talk for a moment and ask a couple of questions about accessibility.

It was very nice to hear the name "David Onley" in reference to accessibility. As you know, he's from the Ajax-Pickering area. I've actually sat down and had breakfast beside him sometimes. When you have someone of that stature working on our behalf, I feel very proud to be part of the government of Ontario.

I wish to just ask a question in reference to—despite declining school enrolment, per pupil funding, I understand, has increased in the range of \$4,500 to almost \$12,000, or a 60% to 65% increase. You can confirm that for me once I get my question out of my mouth. And since 2003—just confirm for me—funding of education has increased almost 60%.

In my community of Ajax-Pickering—depending which mayor you're talking to, they might say, "In the community of Pickering-Ajax"—I know that access to high-quality child care is important to my constituents. But this service must definitely—and I say this as the

oldest of 10 children in a family—be affordable. So I wondered if you could look at that for me.

The question, Associate Minister—not of the day, because better ones will come—I wonder if you can speak more about how the province is helping to address both accessibility and affordability of child care in this province as one question in its entirety. I do appreciate that.

**Hon. Mitzie Hunter:** I'll start, MPP Dickson, and then the Associate Minister of Education, Ms. Naidoo-Harris, will answer your question specific to child care.

Our commitment, as you know is to—and I see Josh is back.

**Mr. Joe Dickson:** No, the other gentleman had a blue tie as well.

**Hon. Mitzie Hunter:** Is that Grant?

**Mr. Joe Dickson:** Yes.

**Hon. Mitzie Hunter:** Oh, okay. Sorry, Josh.

**Mr. Josh Paul:** That's okay.

**Hon. Mitzie Hunter:** Our government is committed to ensuring that students across Ontario continue to achieve excellence. You can really see that in our results, the investments that we're making in the skills and talents of our people. Since 2003, we have increased education funding to \$22.9 billion, an increase of 59%. This is despite declining enrolment in some areas. Our per pupil funding has increased by more than \$4,500, to \$11,700. So students are getting that investment back into those great programs.

Yesterday I talked about, for instance—and I know they're happening in schools in Durham—the Specialist High Skills Major, making sure that our students are ready for that 21st-century world which they confront. I have to give credit to our education partners, because we're making these investments but it's through those education partners—our school boards, our principals and vice-principals, the teachers, superintendents, early childhood educators and our custodians in the school. It's very important that the whole school community is experiencing this investment and that everyone is thinking about how we support the best interests of those early learners and the children. That funding, we believe, is giving us that return. It's an increase of 59% since 2003.

The graduation rates have increased to 85.5%. That's more than 17 percentage points since 2004, when the rate was 68%. If the rate had stayed at 68%, we would be graduating 190,000 less students in Ontario. We can really see that there is that incredible outcome from the investments that we are making in the skills and in the talents of our people.

**1650**  
We talked earlier this afternoon about the investments of more than \$15 billion in school infrastructure. That includes nearly 716 new schools and more than 735 additions and renovations of schools.

When you go into a new school, as I did on the first day of school—I went to Vista Hills Public School in Waterloo, a school that was actually built thinking about

the high-tech community in which it serves. It's just an incredible space: fully accessible, three levels with an elevator and all of the attention to the things that really are important in a 21st-century school environment. You can just see that the principal, the teachers, the school secretary, parents as they're walking in, children as they're moving through the school, appreciate that environment so very much because they're going to be learning—this is going to be their new school.

We're also investing in programs to support areas that we need to do better in, such as renewing our math strategy: \$60 million in a renewed math strategy that's going to support our students to develop the numeracy skills that we know that they can achieve. We've seen results in literacy, we've focused on literacy, and we will continue to focus on literacy. We're doing the same in math and in numeracy.

Of course, we're very proud of the rollout of full-day kindergarten across Ontario: 260,000 students experience that every year and over one million children have gone through the full-day kindergarten program. Play-based learning, inquiry; students are learning—so incredible.

Yesterday, we had a conversation around split grades. I want to say that—and I know that there are many educators in the room—the reality is that grades are sometimes split. That's a decision that principals will make and the local school community will make. But the learning is not compromised. Our educators are giving our students the best possible learning environment. There are some children who actually really enjoy that experience, and they thrive and they do very, very well. We've seen, in other jurisdictions, where they're seeing extraordinary results from split grades or just different grades working together.

With that, I want to ask the Associate Minister of Education to speak to the area of what we're doing to make child care more accessible.

**Hon. Indira Naidoo-Harris:** Thank you, MPP Dickson. I'm going to ask the Chair: How many minutes do I have?

**The Chair (Ms. Cheri DiNovo):** Thirteen.

**Hon. Indira Naidoo-Harris:** Thirteen. Okay, great.

MPP Dickson, I just want to thank you for that important question. As I said earlier, when MPP Gretzky asked me the question about affordability and accessibility, you can't have that conversation without talking about both of these issues at the same time. I want you to know that we understand that Ontario families face challenges when it comes to finding affordable child care. That's certainly something that I have heard in the many conversations I've been having over the last few months. That's why we're making this historic investment, because we know that this is going to transform our early years and child care system. We understand that an infusion of funds is going to assist when it comes to affordability and accessibility. That's why affordability has been part of our conversations from the very, very beginning.

We've heard from parents and child care professionals about the need for increased access to affordable care,

and we're listening. We understand that families out there are facing challenges on a daily basis, and depending on where you live and what your child care situation is like, the affordability question can really vary. What a parent pays, for example, in the middle of a city and, perhaps, in a rural area, is different. What a parent's and a family's needs and means are really varies also.

But this is about ensuring that all of our children, regardless of their background or their families, are able to get the best start in life. Also, this is about ensuring that all families out there have the opportunity to be able to succeed. That's why we are making this commitment. Our commitment to create 100,000 new child care spaces for children zero to four years old may be something that may just sound like a number to some, but let me tell you, every single one of those 100,000 spaces is going to have a huge impact on the families and on the children that are going to be using them. I cannot underline or emphasize that more.

In addition to that, even though we're saying a number of 100,000 spaces, it actually translates into a whole commitment that goes beyond the number of spaces. It really is about transforming the way we deliver child care. I think this is probably one of the most important and forward-looking things that our government has done and will be doing for years to come. We will feel the impact of this not just today and tomorrow, but for years to come. And when those children get older, the ones who will be on the receiving end of this important and substantial financial commitment from our government, they are going to be reaping the benefits. We'll see it when they head to the classroom, when they're in kindergarten, when they are in grade 1, when they head to elementary school, of course, and high school and then on to university.

So we know that this investment gives back seven-to-one. An investment in our early years learning gives back to our society basically on a basis of seven-to-one. So, absolutely, this will include child care subsidies to support families. Affordability and accessibility involve child care subsidies. I'm happy to say that over and over again so that everybody in our province who is using child care understands that this is a serious commitment. This conversation can't happen without talking about affordability. We've all had children, or know families who have had to struggle with child care issues, so that is an important part of it.

Right now, approximately 20% of Ontario's child population from zero to four years old is in licensed child care. Let me take you back to 2003 and before we came in. When we came in, 10% of the children out there had access to child care. We have now doubled that, to 20%. But we are not stopping there. We recognize that parents and families need more support, so we are actually doubling that and making a commitment to take it to 40%, which is a commitment I'm extremely proud of, and I think most people will be. This commitment will double our current capacity, creating spaces for about

40% of all Ontario children in the zero-to-four age group. It's an investment that's going to help so many Ontario families who want better access, more choice and greater convenience when it comes to licensed child care. That's why we are including an operating budget of between \$600 million and \$750 million, which will include subsidies.

Let me give you a little bit of a sense of what impact this is really going to have. Right now, we are committing on a yearly basis slightly more than \$1 billion a year towards operating costs, and slightly more than \$1 billion a year towards capital costs. This commitment of an operating budget, in addition to what we're already doing, of between \$600 million and \$750 million, which will include subsidies, is substantial. I think it's important to recognize that.

Increasing the number of child care spaces for zero-to-four-year-olds will increase access as part of that, and we will need to have important conversations regarding our subsidy system, tools and approach. Why? Because this is a conversation that cannot happen without involving parents, our early childhood educators, our experts in the field, families and our community leaders. Child care, as we know, touches every level of society, and our children are our future.

In order to get it right—I belong to a government and work with members of my ministry, my team, and certainly my colleagues and the Premier, who do not believe this should be a top-down approach. I'm not here to dictate to the people out there what kind of child care subsidies we're going to give them and say, "This province is this one; that province is that one. So we're not going to consult with you. We're just going to go ahead and take a page from another province and do what they're doing." Absolutely not. We believe in finding out what Ontarians want and what Ontario families want, because ultimately, in the end, we're here to represent them.

## 1700

So I am going to work hard on ensuring that I am consulting Ontario families to find out what they mean when they say they want affordable care, because that's the crux of the matter. It's about giving parents access to high-quality, affordable child care where they know their kids are safe, happy and developing their skills.

Of course, this commitment is in addition to all the work the ministry has already been doing when it comes to child care in this province. We know that a high-quality child care and early years system supports families and is an essential start to a child's cognitive and social development.

We know that those early years are extremely important. The preparation for the journey into school-based education really starts long before a child turns four. We know that, and the experts tell us that. I had a very good conversation with Charles Pascal not too long ago, and we had a very deep conversation about this early years time in a child's life and how important it is. It starts in early years programs and in child care settings across the

province, where little people of all ages are a part of a community that cares for them and encourages their development.

I've also had very good conversations with Martha Friendly and other experts in the field whom we're listening to and I am consulting with to ensure that we get it right. That's why, since 2003-04, our government has doubled the child care funding to more than \$1 billion annually.

We recognize that there's more work to be done. In 2016, the ministry is providing over \$1.05 billion to 47 municipalities. This is an increase in overall funding of \$16.3 million, or approximately 1.6% over last year. Since 2011-12, more licensed child care centres have opened in Ontario than closed each year. The net increase in licensed child care centres is 348 since 2011-12.

We've already announced that, starting in September 2017, there will be before- and after-school programs that will be available to children four to 12 years old in all schools where there is sufficient demand. I cannot tell you the kind of response we're getting from families all across the province. I've been visiting a few of them already, but I heard a lot about before- and after-school programs in the north. It was interesting to me what the needs are and how they vary depending on where you live. Certainly in some of our more rural and northern communities, it's the before- and after-school program care that they're really talking about, that they really say they need support and assistance with. That particular announcement that kicks in full force in September 2017 is being greeted with many congratulatory comments, and I'm very proud of that.

As of September 1, of course, we banned wait-list fees, as you all know, for anyone who's waiting to get into child care centres, so that parents and families no longer have to worry about dealing with those costs. There's much more work to do with our partners. We recently said we're going to get started on our 100,000 spaces—not in 2017, but we're going to start moving some of that funding early. That was announced in the fall economic statement. That was something I was extremely excited about and I thought really underlined the commitment that our Premier and this government have to getting this done and doing it as quickly as possible.

In the coming months and years, we will absolutely be sure to include a focus on affordability and accessibility, which is a part of that. In the end, this is about laying a foundation that will start our children on an early path to success; giving parents high-quality, affordable child care, where they know their kids are safe, happy and developing their skills; but most importantly, giving parents peace of mind, and in addition to that, ensuring that our children are safe and getting the best possible start they can and the best possible education they can early on, at a time when we need to focus that attention on them.

I am extremely proud of that initiative and absolutely want to ensure that the member, MPP Gretzky, leaves

here feeling assured that subsidies will be a part of what we're doing, and we are committed to that. We are interested in working with everyone to ensure that that happens, and that absolutely includes the various parties in this room.

**The Chair (Ms. Cheri DiNovo):** Mr. Dickson, you have about a minute.

**Mr. Joe Dickson:** Thank you very much, Madam Chair. Through you to both the minister and the associate minister, I hope I didn't confuse you today because I only asked a question once and I didn't go back and ask it again and again. I let you take hold of it and give us an answer, and I am very impressed with the way you've handled that professionally.

Further, Madam Chair, if I may, through you to the other MPPs, I have a colleague at this particular table who is looking desperately for a five-minute breather, for lack of a better term. I wonder if I could leave that with you, Madam Chair.

**The Chair (Ms. Cheri DiNovo):** Sure. Is that amenable to the committee, that we take five minutes?

Okay. We're going to take—

*Interjection.*

**The Chair (Ms. Cheri DiNovo):** We'll come back at 11 minutes after 5. Okay?

**Mr. Joe Dickson:** Thank you very much, Madam Chair.

**The Chair (Ms. Cheri DiNovo):** No problem. We stand recessed until then.

*The committee recessed from 1706 to 1714.*

**The Chair (Ms. Cheri DiNovo):** Can we take our seats, please? We're about to resume.

We now move to the official opposition: Mr. Smith.

**Mr. Todd Smith:** Good afternoon again to the minister and the associate and the deputy.

This morning, during question period, I had a question for the minister regarding the demonstration schools and the other provincial schools. There are five of them in all in Ontario: in Brantford, in Belleville, in Milton and in Ottawa.

What we've found through public accounts were that \$700,000 more is being paid to local distribution companies in the areas of those five schools to pay for the soaring cost of electricity. That's from between 2009 and this past year. That's a significant amount of money: \$700,000. In the case of the CJL school, which is in downtown Ottawa, and Sagonaska School, which is in Belleville, the hydro actually spiked by 62%. That's an enormous increase.

What I'm wondering, Minister, is: Where is the money coming from to pay for those exorbitant electricity bills, and is that a concern to the ministry, the rising cost of electricity, because this is just five provincial schools that we're talking about that we actually have the hydro bills for.

**Hon. Mitzie Hunter:** Thank you, MPP Smith, for your question. I too have visited Sagonaska in Belleville. It was just a tremendous opportunity to meet our students and our educators. I remember visiting one class where

they had a math lead, and the students were very excited to learn about math.

We're very committed to the success and to the well-being of all of our children in Ontario's publicly funded education system. As you would know, our provincial schools—earlier this year, we consulted with students, families, staff and the education community to look into a range of supports that we can provide to these programs. Part of the outcome of that was to look at how we can provide the excellent services and results that we're getting from those provincial schools to—

**Mr. Todd Smith:** And how can you do that when \$700,000 more is going to pay to keep the lights on in these schools? How do you do that? Is there someone within in the ministry—and there's a lot of staff back there—I'm just wondering if there's someone within the ministry who could actually tell me how they're dealing with the incredible increases we're seeing in electricity costs. Is there somebody that you could point us to that might have those answers?

**Hon. Mitzie Hunter:** I'm answering—

**Mr. Todd Smith:** I know you're talking about how great the schools are. Listen, you don't have to convince me. You don't have to convince Ms. Gretzky, because we were actually at those schools.

**Hon. Mitzie Hunter:** I think it's important that we have a fulsome response to your questions. Given—

**Mr. Todd Smith:** I'm concerned about the electricity. That's really where we're going with this, because it's not just the provincial schools that we're talking about. There are almost 5,000 schools, I believe, across the province and all of them, every single one of them, would be seeing massive, massive increases on their electricity bills.

The only reason that we have the numbers for the provincial schools is because there's not a school board that they fall under—they're provincial schools. We don't have the numbers for the individual school boards. I think people should know, and I think parents of children in these schools should know, exactly how much money is now going to keep the lights on at these schools.

I see somebody has taken a seat there to your immediate left. I'm not sure if that gentleman has the answers. He's being replaced by somebody else. It's the rotating chairs. Hopefully, somebody—

*Interjection.*

**Mr. Todd Smith:** There's no music going, but it's musical chairs. Does somebody have an answer for me?

**Hon. Mitzie Hunter:** I'm answering your question, and I want to do that in as full a way as possible. I certainly have the support of my deputy and his team, but part of the commitment in being here in estimates and why our Liberal ministers are here in estimates is that we're accountable. This is an appropriate forum for us to address why we're doing things and what the results are that we're looking to achieve.

I do want to say, and I will hand it over to the deputy, that we're not closing the provincial schools. I think that

it's important that we say that. What we're looking to do is to take the work that is happening in those schools and to bring them to local communities—

**Mr. Todd Smith:** Yes, I understand that.

**Hon. Mitzie Hunter:** —to those local school boards so that they can actually be delivered closer to where students and children live so that more students can benefit from the program and the services, right?

**Mr. Todd Smith:** I understand all that. My question is regarding the electricity prices. I understand. I understand everything you're saying.

**Hon. Mitzie Hunter:** So we want to—

**Mr. Todd Smith:** Can we actually—

**The Chair (Ms. Cheri DiNovo):** Let the minister finish and then we'll go back.

**Mr. Todd Smith:** We could be here a while.

**Hon. Mitzie Hunter:** So we want all of our students with special needs across the exceptionalities to have the supports that they need. So Deputy, if you could talk specifically to how we're providing those supports to provincial schools.

**Mr. Josh Paul:** Josh Paul, education finance. I can't speak to provincial schools, but I believe there was also a reference to the 5,000 or so schools across the province.

Every year, we sit down with stakeholders and talk about where investments need to be made and where efficiencies can be found. Those changes are brought forward in the annual Grants for Student Needs announcement, usually towards the end of March. This year, using the Ministry of Energy's long-term energy plan, we adjusted the benchmarks by 3.5% for utilities. In the past, using the same data source, those increases have been in the magnitude of, say, 7.3% or 7.5%.

1720

**Mr. Todd Smith:** Would it be possible for the estimates committee to receive the actual electricity bills for the schools across the province? I know that would take some time, but I think it would be important for parents of students in the system and taxpayers in general to know exactly what the Liberal energy policies are costing our education system. Is that something that you could provide? We can easily access the provincial schools from the public accounts, but we can't with the school boards.

**Hon. Mitzie Hunter:** Well, let me just say that we've talked a lot during the time that we've been here about the funding. We've talked, actually, on a per pupil basis, about the fact that education funding has increased by \$4,500 per student—

**Mr. Todd Smith:** I realize that, but Minister, how much of that \$4,500 is actually going to keep the lights on in schools and not going into education?

**Hon. Mitzie Hunter:** Well, let me tell you what is going on. Let me tell you what it's going towards—

**Mr. Todd Smith:** That's what we really want to know as members of the committee. It's what we really want to know.

**Mr. Han Dong:** Point of order.

**The Chair (Ms. Cheri DiNovo):** Okay, wait. Just one at a time. Mr. Smith had the floor. Let him finish. When the minister has the floor, let her finish.

Is that what it was going to be about, Mr. Dong?

**Mr. Han Dong:** No.

**The Chair (Ms. Cheri DiNovo):** Okay. Mr. Dong: a point of order.

**Mr. Han Dong:** Point of order, Chair: I thought this estimates was about education, but what I've been hearing in the last five minutes are questions about energy. I don't understand—

**Mr. Todd Smith:** I know it's difficult for you to understand, but it actually has an impact.

**The Chair (Ms. Cheri DiNovo):** Excuse me; speak through the Chair, please.

**Mr. Han Dong:** I am speaking to the Chair.

**The Chair (Ms. Cheri DiNovo):** Yes. Mr. Dong, finish what you were going to say.

**Mr. Han Dong:** I'm just consulting with the Chair to see if these questions are appropriate for this estimates, which is with regard to education.

**The Chair (Ms. Cheri DiNovo):** My understanding is that it's a free flow of questions. These are questions about energy costs in schools, so it's entirely appropriate.

Back to you, Mr. Smith.

**Mr. Todd Smith:** Can Mr. Paul, or Deputy—is that something you could provide to the committee?

**Hon. Mitzie Hunter:** So—

**Mr. Todd Smith:** No; I'm asking the deputy or Mr. Paul if that's something that they can provide.

**Hon. Mitzie Hunter:** Mr. Smith, I'm attempting to answer your question, other than the interruptions. I think that it is important that we look at how the funding for education—where it's going, because that's what you're asking: Where is this funding going? The funding is going to student needs. It's going to students in the classroom, and we see that by the results. If you look at the fact that graduation rates are at 85.5%, if you look at 71% of elementary students meeting or exceeding the provincial standards in reading, writing and math, and if you look at—and it's not just what's happening here in Ontario; it's when we look at Ontario compared to other leading jurisdictions internationally.

It is very important that we look at those outcomes and those results, because they are going into programs, into specialized programs. We talked about the Specialist High Skills Major. We talked about all of those things—

**Mr. Todd Smith:** It's a simple question.

**The Chair (Ms. Cheri DiNovo):** Could you let the minister finish? Thank you.

**Hon. Mitzie Hunter:** It's pretty surprising to me when you—if I look at the PCs' commitment to education during the last election, you committed to cutting 2,000 teachers and 5,000 early childhood educators—

**Mr. Todd Smith:** No, it's actually not true.

She's here to talk about the estimates—

**The Chair (Ms. Cheri DiNovo):** Again, Mr. Smith, can I ask you, just one at a time. Let the minister finish.

**Mr. Todd Smith:** You're here to talk about the estimates of education. We want—

**The Chair (Ms. Cheri DiNovo):** Mr. Smith, could you please speak through the Chair? The minister has the floor. Just finish. Thank you.

**Hon. Mitzie Hunter:** Madam Chair, I'm very proud of the work that we are doing in education. We're increasing funding so that students have the supports that they need. Funding has increased in education, and continues to do so. We talked about the \$400 million of new funding that was brought into the system this year and the important work that that is doing to support our Syrian students as they come in, getting the language supports, getting the mental health supports, having mental health leads in every community; supporting our truth and reconciliation commitments, ensuring that we have an education system—

**Mr. Todd Smith:** What is the point of this, Chair? I asked questions. I want the answer. We only have a certain amount of time to get the questions answered. Clearly, she's not answering the question, Chair. All I want—

**The Chair (Ms. Cheri DiNovo):** There is nothing in this committee or in its mandate that compels her to answer your question or to say anything. Sorry. Those are the rules. The minister has the floor. She's going to finish her statement and then we'll come back to you, Mr. Smith. One at a time, please.

**Hon. Mitzie Hunter:** Absolutely. I want to also talk about our funding supports, which are ensuring that we have equitable and affordable access to high-speed broadband in our schools. We talk about 21st-century learning—because you're asking where this funding is going. It's going towards the investments that we're making in the classroom, in having the best teachers teach our students, so that our young people are prepared and are successful for the world that they will confront.

**The Chair (Ms. Cheri DiNovo):** Mr. Smith, back to you now.

**Mr. Todd Smith:** I ask you: Is there any way you can provide us with the information I'm asking for—not the minister's talking points. Is there any way we can find out the electricity bills for the school boards in the province of Ontario? Taxpayers are paying education taxes. Ratepayers are paying rates. We simply want to know how much is diverted from the education system—from the envelope of money that education is receiving, how much is actually going to pay the bills? It's a simple, simple question.

**Hon. Mitzie Hunter:** You talk about taxpayers, but we have to talk about the two million students in our system, and we have to talk about—part of our focus is to ensure that all of our students in Ontario who are in our publicly funded education system get the best education possible. We have 5,000 schools in Ontario. More than 800,000 students are transported each and every day to school. There are 19,000 school buses and special-purpose vehicles that transport our students—

**Mr. Todd Smith:** How much is that costing—school buses?

**Hon. Mitzie Hunter:** We spend close to—it's about \$800 million that is spent.

**Mr. Todd Smith:** Okay. How much is being spent on electricity?

**Hon. Mitzie Hunter:** If you look at—

**Mr. Todd Smith:** I know “electricity” is a dirty word for the Liberals. It really is a dirty word for the Liberals. You don't want to talk about electricity.

**Hon. Mitzie Hunter:** What I want to talk about—

**Mr. Todd Smith:** I get that, but I think the people of Ontario—

**The Chair (Ms. Cheri DiNovo):** Wait. I'm going to ask you again—

**Mr. Todd Smith:** —have a right to know what the electricity bills are in our education system.

**The Chair (Ms. Cheri DiNovo):** Mr. Smith, if you could direct your comments through the Chair. I would ask you again not to interrupt.

Minister, could you please answer succinctly? Thank you.

**Hon. Mitzie Hunter:** You know, I think it's important to recognize that Ontario's education system is delivered in partnership with all of the education workers. We have 72 school boards in this province that are responsible for the budgets, and our school board funding has increased substantially. I want to talk about funding for the eastern region. It has increased by \$1.4 billion since 2003.

**Mr. Todd Smith:** How much of that has gone to pay electricity bills?

**Hon. Mitzie Hunter:** That's an 80% increase. The per pupil funding has increased by \$4,600 since 2003.

**Mr. Todd Smith:** How much of that has gone to electricity bills?

**Hon. Mitzie Hunter:** So it's an increase of 61%. We've talked about the increases for licensed child care to \$67 million in the eastern region—

**Mr. Todd Smith:** How much of that has gone to electricity bills? These are all fair questions.

**Hon. Mitzie Hunter:** Investments in school infrastructure: It has increased in the eastern region by \$2.4 billion in school infrastructure.

**Mr. Todd Smith:** I bet a lot of that has gone to pay electricity bills.

**Hon. Mitzie Hunter:** Well, that includes 127 new schools and—

**Mr. Todd Smith:** How many schools are you closing?

**Hon. Mitzie Hunter:** We absolutely have an accommodation review process in this province, because we don't want funding to be for empty classrooms. That's not what we want. We want funding to be in classrooms where students are learning. We want our students to be learning in the best possible environment. Through the supports that we're providing, in fact we have \$750 million that school boards are able to tap into for consolidation so that they're able to combine schools and provide much more robust programming, so that they're

able to provide more activities for students, whether that's through gyms or programs like Specialist High Skills Major or dual credits, and the best possible teaching experience for all of Ontario's students and all of our learners. That's right across our school boards. Whether we're talking about our English public boards, our English Catholic boards, our French boards or our French Catholic boards, these programs and these supports are provided and are available.

1730

I can understand that you want to ensure that there are those outcomes, but I do ask that you listen when we're talking about those results, because those results are making a difference in children's lives. If our graduation rates had stayed at 68%, 190,000 less students would be graduating from high school than what we're having today.

**Mr. Todd Smith:** How many of those students are entering the workforce?

**Hon. Mitzie Hunter:** We know that, first of all, the Ontario education system is recognized around the world as one of the best education systems in the world.

**Mr. Todd Smith:** We know that. You've told us that 100 times since this started.

**Hon. Mitzie Hunter:** Well, we should be celebrating that. We should be celebrating that because—

**Mr. Todd Smith:** I just want to know—

*Interjection.*

**Hon. Mitzie Hunter:** —our graduates—

**Mr. Todd Smith:** Don't you want to know in Kingston how much your schools are paying for electricity?

**The Chair (Ms. Cheri DiNovo):** Again, one at a time. Mr. Smith, Ms. Kiwala—we're back to the minister. Can you finish your sentence, please, Minister?

**Hon. Mitzie Hunter:** Thank you, Madam Chair. I am very, very aware that we care about education in Ontario. That's why we're making those investments. It's because we want to make those investments for our children.

I want to say, Mr. Smith, that funding in your own riding of Prince Edward–Hastings, to that school board, has increased by \$310 million. It's an 84% increase since 2003. These increases are right across the board. They're affecting our students. That's a \$5,100-per-pupil increase in your riding of Prince Edward–Hastings. Three new schools were built in your riding: Harmony Public School, Stirling Public School and Tweed public school. We are making those necessary investments.

**Mr. Todd Smith:** I understand that. You're spending a lot of money; I understand that. I simply have a question. We want to know how much is being spent on electricity in these schools. Deputy, is that not something that should be readily available to this committee? When it comes to the estimates of the Ministry of Education, we should be privy to that type of information. This is the estimates of the Ministry of Energy. Where is the money going that's allocated to education?

**Hon. Mitzie Hunter:** This is actually not the estimates—

**Mr. Todd Smith:** No, this is estimates committee.

**Hon. Mitzie Hunter:** This is not the estimates of the Ministry of Energy; this is the estimates for the Ministry of Education—

**Mr. Todd Smith:** Exactly.

**Hon. Mitzie Hunter:** —and we're telling you about the funding that we're making and the investments that we're making in student achievement and in student well-being right across the board.

**The Chair (Ms. Cheri DiNovo):** Mr. Smith, you have just under two minutes.

**Mr. Todd Smith:** Are you telling me, then, that we're not going to get those numbers? We're never going to find out—you know, transparency and accountability was something that Kathleen Wynne said she was going to bring to this government. I find it so hypocritical that the minister and the deputy won't inform the estimates committee of that type of information. It should be available to everybody in the province of Ontario. How much is being spent on the electricity bills?

Clearly, you've been stonewalling me now for 17 minutes or so. I've asked a simple question: Will you provide that information to this committee?

**Hon. Mitzie Hunter:** Mr. Smith, I've been telling you about the investments that we're making in education.

**Mr. Todd Smith:** I know you have.

**Hon. Mitzie Hunter:** Supporting children and youth is the best possible investment that we can make in Ontario. Our publicly funded education system is a testament to that. We have two million-plus children who receive education from that system each and every day in this province. We're making those investments and we're seeing the results of those investments. If you look at our graduation rates, if you look at—you asked about the pathways for our students beyond high school. That's incredibly important.

We're the government that just made tuition free for post-secondary education for families on low incomes. We did that because we recognize that students from low-income families were not applying. They had just taken themselves out of the game. And if they weren't applying, what does that say earlier on? What kind of signals are we giving to our young people, to our children in grade 7 and grade 8? We want them to believe that they can achieve that college or university or apprenticeship program. So we've made that free.

Those transition moments are very important. I believe in our young people, and I know that they are succeeding.

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. Mr. Smith, time is up. We now move to the third party: Ms. Gretzky.

**Mr. Todd Smith:** We got so far.

**Mrs. Lisa Gretzky:** I'd like to know what prompted the reduction in funding to rural schools through the Geographic Circumstances Grant, and are any funds being diverted to rural schools to make up for the loss in funding through the Geographic Circumstances Grant?

**Hon. Mitzie Hunter:** I just want to say that we are very committed to our support for rural schools. We have

actually increased our funding, taking into account specific circumstances that rural and northern schools will face. In 2015-16, we provided \$3.7 billion in funding toward rural school boards. Since 2003, our per pupil funding has increased by \$4,753, or 64%. Since 2012-13, we've increased the annual GSN funding for rural boards by over \$199 million, or 5.7%. We've changed the Grants for Student Needs funding formula to better address the higher costs of materials and resources, as well as the reality of the declining enrolment associated with rural schools. I'd like to ask the deputy to—

**Mrs. Lisa Gretzky:** Actually, the Geographic Circumstances Grant that's specifically for rural schools was actually, over the last two years, cut by almost \$10 million in 2015-16. So you haven't actually increased that grant; you've reduced it.

**Hon. Mitzie Hunter:** As I said, we have changed the funding formula. I'm going to ask the deputy to address that question.

**Mrs. Lisa Gretzky:** If you can please let me know why that grant was reduced—that was the first part of my question. Why was that specific grant reduced?

**Hon. Mitzie Hunter:** She's talking about funding for rural schools.

**Mr. Josh Paul:** Yes, absolutely.

Two parts to the question, perhaps:

(1) What does the GSN do for rural schools and rural boards?

(2) What were the overall considerations in some of the changes to the GSN that were brought forward?

Firstly, as the minister noted, rural boards receive about \$3.7 billion in 2016-17. This is despite the fact that they have declining enrolment, and enrolment is a key driver in the Grants for Student Needs. As my colleague Martyn Beckett noted earlier, when enrolment goes up, funding goes up; when enrolment goes down, funding goes down for a great preponderance of the Grants for Student Needs.

But there are, as was asked, specific recognitions of the characteristics of rural boards and rural schools in the Grants for Student Needs. In particular, there are protections for declining enrolment. Many rural boards do have and are grappling with declining enrolment. There is a declining enrolment adjustment in the Grants for Student Needs—approximately \$31 million in 2016-17.

There are protections for the transportation funding. Transportation funding is essentially what you got last year if you're a board, plus or minus some adjustments. One of those adjustments is enrolment. The transportation envelope for every board is protected in the case of declining enrolment. Rural boards have schools that are isolated. Certainly, the Grants for Student Needs, when it looks at the funding it provides to the School Foundation Grant, for principals and vice-principals, or the funding for ops and renewal, does recognize the fact that funding should be increased or should be at a higher level for those schools that are isolated from other schools of the same board.

There is also, as you mentioned, the Geographic Circumstances Grant, which recognizes the fact that there are increased costs to providing services when schools are dispersed from each other or when a board is overall, say, removed from an urban location. There are also some specific factors, in both the Special Education Grant and the board administration grant, to take into account the remoteness or rural-ness. So it is one of the factors that goes into those overall grants.

**Mrs. Lisa Gretzky:** Thank you.

**Mr. Josh Paul:** In terms of the second part of your question, which was about some of the changes that have been brought in over the past few years, what the government does—and does every year—is sit down with a broad range of education stakeholders from students to teachers, to principals and vice-principals, to school boards and others, to determine how to make changes in the best needs of students. One of the emphases, as far back as 2013, given the overall fiscal situation, was certainly how to identify efficiencies as well as how to identify opportunities for investments. What we heard as part of those conversations, and continue to hear, is that there is an opportunity to make a more efficient use of school space. In Ontario, there is significant underutilized space.

1740

What was needed was supports for boards to make those decisions, either through school consolidation, through joint use or community partnership. The government brought forward a whole package of reforms designed to work together to really provide the incentives and supports. It did, in the main, reduce some funding overall in some grants. Specifically, the major one was the school option renewal and the top-up for non-isolated schools. At the same time, it invested in the actual space that was being used, the per pupil benchmark.

It also made some changes to the Geographic Circumstances Grant as part of that overall package. Primarily it was an update in data. The data had not been updated for several years. The number of centres in Ontario that had over 200,000 population changed. There was a series of updates there that happened.

The other elements of the strategy to support boards in making a more efficient use of school space were the planning capacity money that was rolled out in 2015-16 and also the efforts to make the processes around accommodation review more streamlined and modern. Also, as the minister has mentioned, at that time there were significant capital investments put on the table: \$750 million over four years at the time.

**Mrs. Lisa Gretzky:** Thank you. I think that covers my—when we're talking about streamlining the accommodation review, it is actually speeding up the process of closing schools. You can put it that way.

Next question is: How much is allocated for transitioning EQAO assessments to put them online? Then, more specifically—or secondary to that—the OSSLT, the Ontario secondary school literacy test, was offered online as a pilot project at 900 schools. Unfortunately, the

project was cancelled, and there were many students—thousands of students—who had spent months studying for that test. I'd like to know: How much did it actually cost to administer the pilot project?

So, first part: How much is it costing to transition to the EQAO—as a whole—to online assessment? Then, secondary to that, how much did it cost to administer the OSSLT pilot project?

**Hon. Mitzie Hunter:** I will ask the deputy to speak as well, but one of the aspects that we have to recognize is that EQAO results are based on Ontario's curriculum, and the testing that is occurring is really demonstrating that students are succeeding at the EQAO test. If we look at international standards, through PISA and others, Ontario schools are recognized really in the top 10s of comparable jurisdictions.

I'm very proud of the work that our students are doing and the achievements that we're seeing. It's helping us to provide the necessary supports in areas that need that, like we have said, with our math strategy, the \$60 million that we're putting in there.

Moving online is something students want us to do. It's something that will make the testing more efficient for students. We were committed to doing those pilots. We had done a series of them. Obviously, the one most recently we had to cancel, given the fact that there was a cyber attack on our system that didn't allow us to proceed with all of the students completing. But EQAO is in the process of doing an assessment, and they're going to make that fully public as well.

Deputy?

**Mr. Bruce Rodrigues:** The total cost for EQAO per year that is a transfer payment is approximately \$32 million a year for all of the work that EQAO does. In terms of that \$32 million, there were no additional costs for the attempt to move the system online. It was taken from the internal costs.

There was a surplus in the previous budget. To start the process, it cost EQAO approximately \$4.6 million to get it going overall. In terms of your specific question as to what the OSSLT cost this year in terms of the trial run of it, that's still being assessed in terms of that total cost in what occurred.

There was an RFP put out in order to get a vendor to support that move online, and so there is a shared cost in that particular piece as well.

**Mrs. Lisa Gretzky:** Is there any indication of how long it's going to take to assess the cost of the pilot project?

**Mr. Bruce Rodrigues:** There is an audit taking place around it. I don't have that information in terms of the length of time that that audit would take, but they are doing a forensic audit around it.

**Mrs. Lisa Gretzky:** My next question is around school transportation. As we know, at the beginning of this school year there were thousands of students who were impacted by the fact that there are not enough bus drivers to be transporting the students. What I want to know is whether the government is committed to a

review of the funding framework for the student transportation grant and how it's distributed. I know they receive the money, but many boards are still struggling to actually make ends meet when it comes to transportation. Is there a review of the funding framework that's going to take place? If so, what is the timeline of the review? When can parents, school board trustees and administrators expect to see a review done?

Also, a large, if not the only, contributing factor to what happened in the beginning of this school year is the fact that there is an issue around retaining bus drivers, specifically to the process of securing student transportation. In simple terms, contract flipping is an issue. When boards are looking at it from a funding perspective, they put it out to RFP and they are trying to get, basically, the cheapest service. I'm not saying it's not safe service—although there have been questions around that with some boards—but they're trying to work within the funding that they're given. So it goes out to RFP and then bus operators, the companies, then come forward with their proposal, and the boards choose the consortiums from there.

The issue is that once that happens, there is no guarantee that if a new company then comes in and provides transportation, the school bus drivers who were there the previous year are going to then move on to a new company, a new service provider. In that case, many of these service providers do not have the bus drivers in place to provide adequate transportation.

We have an issue around—and I realize it's up to the operators, but it's directly linked to the funding that the boards can provide for transportation. Many of them aren't making an awful lot of money and aren't being compensated for all the work that they're putting into it.

My question is: What is it that the ministry is doing to ensure that we're not going to see this again next year? This has been an issue for years; this is not a new issue. What is the ministry doing to ensure that we're not going to see contract flipping, where we're going to see bus drivers who have experience, who have already been servicing the education sector and doing an incredible job—many have formed relationships with the students they are transporting, and we're losing them during the RFP process. I'd like to know what, if anything, is going to be put in place to ensure that we're not going to have that issue again next year, or in years to come, that there is going to be some sort of job security for school bus drivers, and that boards are going to receive the appropriate funding so it doesn't simply come down to who can provide the service the cheapest.

**Hon. Mitzie Hunter:** First of all, I want to start by saying that more than 800,000 students are transported each day in Ontario. There are approximately 19,000 school buses, or school purpose vehicles, under contract with school boards used to transport our students. I want to thank those transportation workers for safely transporting our students. It's something that I'm very grateful for, because they are doing that very important job in

taking our students to school so that they can get the best education.

We are committed to helping school boards deliver that safe, effective and efficient transportation service for all of our students. Since 2003, we've increased funding for transportation by 40%. At this point, in 2016-17, student transportation funding is projected to be \$896 million. I'd like to note that, because earlier I had said \$800 million; it's \$896 million, an increase of 40%.

This is a service that many parents rely on and students enjoy. They expect the bus to come. It gives great peace of mind to know that our children are safe and they're being transported safely to school.

1750

The disruptions that occurred in September of this year of course are frustrating, and it's very concerning. I know that the boards that were impacted, other than—there's a normal amount of getting used to the beginning of the year and how many students are needing that service, but this year there was a particular frustration. The boards have been working very, very hard to resolve that issue. Many of them have done so. There are still a few boards that are sorting it out.

We're ensuring that we get through this immediate challenge in terms of the issue of driver coverage for routes. As you may know, the Ombudsman has indicated that he would like to do an assessment as well, and we welcome that. The boards themselves—I know that the Toronto District School Board has said that it would do its own review.

That information is very important because I'm interested in bringing all of those stakeholders together so that we can actually work collectively to put a plan in place so that something like this does not happen again, so that when we look forward, there is a solid plan that speaks to the issues that caused the disruption and we are able to provide that support.

So there's a longer-term need, but in the immediate term, it's important that we get kids to school, that they know they are going to be able to rely on that service. And we know that parents really rely on that to have that peace of mind. We're in touch with the boards, and I know the ministry is as well.

Maybe you should comment on this as well, Deputy. Go ahead.

**Ms. Cheri Hayward:** My name is Cheri Hayward. I'm the director of the school business support branch, and I have the student transportation file as one of my areas of responsibility. Thank you for your question.

It's important to note—and you have made reference to this—that the driver shortage issue has been an ongoing problem. It's a complex issue. It is not something as simple as competitive procurement. The driver shortage issue, in fact, is something that's happening right across North America in terms of school bus drivers. There is a shortage. There is a shortage in Ontario of truck drivers; there is a shortage of municipal drivers. In fact, Peterborough recently had to cancel five of their routes because they themselves, at municipal

rates—it was not competitively procured—had difficulty getting drivers and had to cancel those routes altogether.

Every year, as the minister said, there is often that start-up piece in terms of the driver issue. This year it was not anticipated, the driver shortage. In fact, it was not anticipated by the operators themselves. They felt they were ready to start school. This is part of the complexity of the driver issue. It's a really tough job, as you've mentioned. They play a really important role. The issue of driver wages, the working conditions and the full benefits package, the remuneration package, is an issue between the operators themselves and the drivers, their employees.

It should also be noted that this year, in the areas that we've had the most difficult situation with drivers, they had competitively procured—

**The Chair (Ms. Cheri DiNovo):** Ms. Gretzky, you have under a minute.

**Mrs. Lisa Gretzky:** Thank you. If I may, because you brought up wages and you brought up municipal bus drivers: I'm not sure if the minister is aware, but one of the biggest issues is that those who are transporting such precious cargo, our children, to school every day—a very important job—are not actually paid the same as those that are driving public transportation buses, those who are put in charge of everybody's personal well-being. They are, in my opinion, equivalent jobs, yet those driving school buses have no job security and are not compensated the same.

I would suggest that although you say it's between drivers and the companies, if the school boards received funding in order to be able to look at procuring services where the employees were treated fairly, were compensated fairly and didn't have to worry about losing their job the next year when it goes out to tender, we might not have a bus shortage.

**The Chair (Ms. Cheri DiNovo):** I'm afraid that's it. We now move to the government side. Mr. Anderson?

**Mr. Granville Anderson:** Thank you, Madam Chair.

It would be remiss of me if I didn't commend the minister, the deputy minister and all the staff who participated here today for their patience and their professionalism that was displayed here, under trying circumstances at best.

I'm going to paint a different picture. I enjoy visiting schools. I spend a lot of time doing that whenever I can. I was a trustee for some 11 or 12 years. A couple of weeks ago, I visited two schools in north Oshawa. It was a great occasion. I announced the building of two new schools in the area. I didn't go on-site where these schools will be built; I went to other schools to make the announcement—one Catholic school and one public elementary school, two elementary schools.

I went in and I saw exuberant, joyful, happy kids, happy teachers and a happy atmosphere. I spent time there, made the announcement, and they said to me, "Would you like to tour the classrooms?" Of course, I jumped at the idea. I jump at any opportunity to tour classrooms. So I went to the classrooms, met the kids,

met teachers individually, and they were all happy. It wasn't doom and gloom. The sky wasn't falling in. They were grateful and they were happy about the supports and the quality of the schools.

By the way, these two schools that I visited: One was six months old—they didn't even have an opening yet—and the other one was about two years old.

In all the schools that I've visited, I have seen nothing but great teachers, great professionalism by teachers and principals, and happy, exuberant students who are there to learn. I'm not saying it's perfect. There are occasions which, as a trustee, I know are trying circumstances, like where you have an unusual amount of kids with special needs. That's trying for any teacher to deal with, and yes, those are problems. Those are things that you deal with. Societal problems are problems that—you can't base it on government or around the school system. They're just the circumstances that happen on rare occasions.

Having said that, I understand—

*Interjection.*

**Mr. Granville Anderson:** Two minutes left? There's so much to say.

On school closures, it's not a bad thing to close schools if there's a need to close them. It's a disservice to kids to keep a school open with 50 or 60 kids in it. They cannot get the programs or the supports they need. They cannot participate in athletic programs.

It depends. I know in urban areas, there's a difference. In rural areas, if it requires travelling for two hours on a bus, under those circumstances, yes, you would keep a school open.

I personally closed a school in Clarington, the only time that I closed. That school was closed because one school, which was St. Elizabeth, was built for 400 kids. There were 700 kids in that school. There was another school, St. Stephen's, with 150 children in the school. So I said to the community, "Instead of building a school for 300 kids, let's close a school. It's a savings. It's money that goes back into programming, into special needs, into running the school board and the school system better." They agreed, so we built a school for 600 kids. In that school, kids access all the programs. They get to participate in extracurricular activities, sporting activities.

So there are positives to closing schools, other than financial consequences or financial circumstances. It's also better for kids and it gives them an opportunity to participate in a wide array of programs, extracurricular activities, sporting activities etc. So it's something we do.

I could go on for days expressing the good things I see in schools.

I would like to thank the minister for not flip-flopping on sex education. She has stood her ground because it's also something that is a good thing. It's a positive thing. The community and society as a whole are accepting that—

**The Chair (Ms. Cheri DiNovo):** I'm afraid that is it. In fact, that is it for estimates and that is it for this session. I'll be reporting back on estimates in the House tomorrow afternoon, so this brings us to the end—

*Interjections.*

**The Chair (Ms. Cheri DiNovo):** Quiet, all. This is so exciting.

This brings us to the end of our consideration of the 2016-17 estimates. Just before we stand adjourned, I

want to thank our Clerk, our legislative researcher, our translator, Hansard and our audio technician back here. Thank you all for your hard work. Thank you, everyone. We stand adjourned.

*The committee adjourned at 1800.*

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